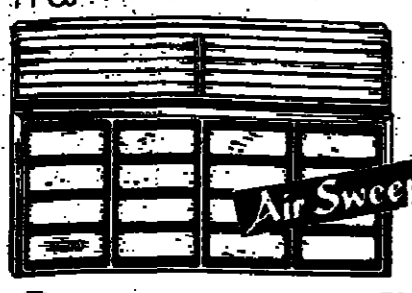


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# Arab news

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TEN PAGES — TWO RIYALS

VOL. VI NO. 245

FRIDAY, JULY 31, 1981 RAMADAN 30, 1401 A.H.

## Details to be worked Overseas Americans to pay lower taxes

WASHINGTON, July 30 (AP) — Both Houses of Congress have approved sharply lower taxes for Americans living in other countries, but details remain to be worked out in a conference between representatives of the two houses.

The bill in the House of Representatives would exempt from U.S. tax the earned income of Americans making up to \$7,500 a year. Their unearned income — interest, dividends or rent, for example — would still be taxed. This exemption of earned income would increase by \$5,000 a year until Jan. 1, 1986, after which \$95,000 would be exempted annually.

The U.S. Treasury calculates that these provisions would cost it \$300 million in lost taxes for the year that starts Oct. 1, another \$600 million a year in the two following years, \$700 million in 1986 and \$800 million in 1986.

Under the Senate bill, the first \$50,000 earned by the taxpayer would be exempt, and half of the next \$50,000. There is no provision to increase this. Tax losses to the U.S. treasury under this bill have not been calculated, a spokesman said.

As an alternative under both bills, the American taxpayer abroad could choose to credit against his American tax the income tax he pays in other countries. This possibility is available now, but Americans have not been permitted to credit foreign sales taxes and similar levies called value-added taxes, which in many countries weigh more heavily on resident Americans than local income taxes.

Both bills would also allow the American taxpayers staying abroad to deduct from his taxable income any rent he pays above \$6,059 a year. This is equivalent to the housing allowance — 13 percent — of a U.S. government employee earning \$37,868 a year. Any American who spent 330 days out of the country in the course of 12 months

would be considered a resident abroad. This is another advantage to the American taxpayer: at present he must spend 500 days abroad out of 18 months if he is to get any benefits.

But the exemptions do not apply to American diplomats or other U.S. government employees. U.S. The new exemptions have been pressed by the Reagan administration, under heavy pressure from American businesses. Spokesman for business have argued that the smaller exemptions now available put American companies at a disadvantage, since nearly all other important Western countries exempt their citizens abroad from paying any domestic income taxes at all. Most American companies have had to compensate their American employees abroad for the American tax they pay. Many have preferred to hire nationals of other countries.

Administration officials have pointed out that non-American employees of American companies are less likely to order American goods that would create jobs in this country and increase the total of American exports.

Earlier Wednesday, a joint House-Senate Committee approved unprecedented cuts of \$36 billion in the 1982 federal budget. This opened the way for final approval by the two houses of Congress of the spending program later this week. Congressional sources voted the Republican president won the Democratic-controlled house as well as the Senate on the tax cut program. This gave him his biggest congressional victory since he took office in January.

The house vote overshadowed dramatic victories by Reagan earlier this year when he marshalled the backing of southern Democratic conservatives for his budget cuts. The same Congressmen, elected as Democrats, Wednesday voted overwhelmingly for the Republican president on the tax cut bill.



UNMUSTACHED: Ousted Iranian President Bani-Sadr flew into Paris Wednesday and was given asylum immediately by the Mitterrand government. The picture taken at his daughters' residence, shows Bani-Sadr reading the French daily newspaper *Le Matin* which announced his arrival in the French capital. Bani-Sadr appears without a moustache.

### Residents shifted

## Floods threaten India capital

NEW DELHI, July 30 (AFP) — The threat of flood continued to haunt the Indian capital Thursday with the water level of the River Jamuna steadily rising and weathermen forecasting fresh rains.

Flood-protection personnel were put on maximum alert Thursday morning and residents of lowlying areas were told to be ready to evacuate at any moment. Wednesday night, the authorities ordered over 9,000 people near New Delhi to move to safer places following warnings of possible inundation.

Delhi experienced floods in 1978, but the residential areas in south Delhi were not affected. Meanwhile reports from flood-affected areas in the country continued to paint a grim picture with relief and rescue operations affected by either rains or breakdown in communications. Over 15 million people were still affected by the flooding.

Floods were still causing havoc in Jammu and Kashmir state, bordering the strategic border district of Poonch was completely cut off from the rest of the state, the Press Trust of India (PTI) news agency said.

## Hints of new hostage crisis Step urged against French embassy

BEIRUT, July 30 (Agencies) — Iran's former revolutionary judge Hojatoleslam Sadegh Khalkhali has called upon President-elect Muhammad Ali Rajai's government Thursday to take action against the French Embassy in Tehran, warning that "otherwise people will decide on their own."

Khalkhali lashed out at both French and Iranian authorities — the former for granting political asylum to deposed President Abolhassan Bani-Sadr, the latter for "negligence" in letting him flee the country.

Bani-Sadr who was deposed last month by Ayatollah Khomeini following a parliamentary vote of censure, fled Tehran Tuesday night aboard a 707 Boeing jet. He was accompanied by leftist Mujahadeen leader Masoud Rajavi. French officials granted him political asylum "on the express condition he does not engage in any political activity on French soil."

Speaking in parliament here, Khalkhali attacked France for harboring emigres "who plot against the Islamic Republic," and he urged the government to "take a decision" regarding the French Embassy here which he said "serves no purpose." "If the government does not reach a decision on its fate, the people will decide," he warned.

Meanwhile the newspaper *Azadegan* said that "the French government must expect the consequences of its acts against Iran."

French Ambassador to Iran Guy Georgey was to have a meeting, at his own request, with foreign ministry officials later Thursday.

Meanwhile, Iranian security forces have been keeping watch on the French Embassy, where the situation was reported to be normal.

Khalkhali also accused Rajai of "negligence" in letting Bani-Sadr escape. "How do you expect to lead the country when you do not control your air force," he demanded.

In Tehran government spokesman Behzad Jafari said that Iranian Air Force jets tried and failed to intercept the plane that took Bani-Sadr into exile in France. The plane's pilot according to Nabavi had radioed ground control shortly after takeoff that he had technical trouble and would have to change his flight plan. The tower was suspicious, but 30 minutes passed before the Phantoms took off and they were too late to intercept, the spokesman added.

Bani-Sadr, according to the spokesman, made his getaway disguised as a woman, having shaved off his moustache and eyebrows. A radio report added that the ousted president had also used lipstick.

"Perhaps," Nabavi speculated derisively, "he will continue his resistance in Paris dressed like a woman."

(The former president arrived in Paris dressed as usual, without his moustache but otherwise unchanged, according to reporters who saw him.)

Meanwhile, in London, French President Francois Mitterrand Wednesday defended his government's granting of political asylum to Bani-Sadr, indicating that the former Iranian president's life was in danger.

Without referring to Bani-Sadr by name, Mitterrand said that "a foreign personality, yesterday a head of state, asks for asylum undoubtedly to protect his life." Mitterrand was in the British capital to attend the royal wedding.

In Paris, officials were visibly annoyed after he had signed a document promising that he would refrain from all political activity on French soil in exchange for asylum. Bani-Sadr canceled a scheduled news conference without explanation after a French Foreign Ministry official visited him at his heavily-guarded apartment in Cachan, just south of the French capital. He was joined there by his two daughters, who arrived in Paris Wednesday evening from London. Bani-Sadr made four separate statements to reporters since he signed early Wednesday the asylum document promising no political activity in France.

Statements by French Foreign Minister Claude Cheysson noted the conditions for asylum that Bani-Sadr had agreed to. But Bani-Sadr was not under any obligation to remain silent, observers said, just to refrain from political activity.

In lieu of the news conference, Bani-Sadr's spokesman said it would be "out the question" for Bani-Sadr to renounce his "legitimate responsibility" as president of the Islamic Republic. He was dismissed from that post last month.

The spokesman also read a statement by the ex-president, calling for a "revolutionary effort" in Iran to prevent the country from falling further under foreign domination, which he said the current regime was encouraging.

In Ankara the Turkish government broke its official silence about Bani-Sadr escape route. In a statement issued Wednesday, the foreign ministry said an Iranian plane crossed into Turkish air space "a little before midnight Tuesday," about a hour and 15 minutes after Iranian officials have said a plane was hijacked from Iran.

The aircraft contacted air traffic control center at Ankara's Essenbo Airport and asked permission to cross the country and to leave Turkish airspace over the Mediterranean city of Antalya. The plane left Turkish air space at 01:08 local (10:08 GMT) Wednesday.

The ongoing turbulence in Iran apparently helped Bani-Sadr escape a nationwide dragnet and the wrath of Ayatollah Khomeini. Iran watchers believe Bani-Sadr's success in his daring game of tag with fundamentalist opponents was attributable to the expertise of the urban guerrillas shielding him and the upheaval that has consumed the nation since Khomeini overthrew the Shah in February 1979.

## After 5-hour session Senate panel clears Casey

WASHINGTON, July 30 (Agencies) — The Senate Intelligence Committee unanimously concluded Wednesday that William J. Casey should remain as director of the U.S. Central Intelligence Agency.

Chairman Barry Goldwater told reporters after Casey had finished five hours of closed testimony on his past business practices and management of the agency. "It is the unanimous judgment of the committee that there is no basis for concluding that Casey is unfit to serve as director of central intelligence."

Goldwater told a crowded news conference that the conclusion was based on Casey's testimony as well as a review by the committee staff over the past several days. He said the staff would continue working to close out some final paperwork on the inquiry. The committee took little over half an hour to reach its conclusion after Casey left the Capitol without speaking to reporters.

Goldwater had been in the forefront of critics who charged that Casey had used bad

judgment — at best — in naming Max Hugel as director of CIA undercover operations.

trading was light as the markets waited to gauge the U.S. authorities' reaction to the situation.

In Paris the dollar opened at 5.8537 francs, close to the 23-year high of 5.86 reached on July 22. Its opening level of 2.4682 marks in Frankfurt was also close to a five-year high of 2.4720 level. In Tokyo the dollar closed at 238.89 yen, up from 238.80 Wednesday with bankers and dealers predicting the yen would soon fall below 240 and even as far as 253 if high U.S. interest rates continued. But they said the yen was expected to appreciate against the dollar later this year if rates fell.

Dealers said Japan's central bank had sold about \$1.6 billion this month to support the yen.

Sterling fell below \$1.85 for the first time since June 1978, reaching 1.8455 after closing on Tuesday at 1.8640. The Bank of England left its minimum lending rate unchanged at 12 percent Thursday although the authorities have recently sanctioned higher interest rates in money markets.



## Dollar advances as taxes are cut

LONDON, July 30 (R) — The dollar advanced strongly against other major currencies Wednesday, boosted by the message of President Reagan's tax cuts through the U.S. Congress, dealers said. In Paris the dollar opened close to a 23-year high against the French franc and in Frankfurt it approached a five-year peak against the West German mark.

It also gained against the Japanese yen and the Swiss franc and pushed sterling down to its lowest level for more than three years.

Dealers in London said congressional approval for President Reagan's proposals, which include a 25 percent income tax cut over 33 months, and U.S. Treasury plans to sell \$8 billion of securities had undermined the strength of the interest rates and buoyed the dollar.

They said the tax cuts could have inflationary consequences for the economy, leading to continuing high U.S. interest rates which are attracting money from other Western nations where rates are significantly lower.

Dealers on foreign exchange markets said

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## Charles, Di have quiet honeymoon

ROMSEY, England, July 30 (Agencies) — Prince Charles and his bride spent the first day of their honeymoon Thursday at a secluded stately home in the English countryside after the most public wedding ceremony of world has known. Alone at last they were spending the first days of their honeymoon at Broadlands, an elegant 18th century house in the southern county of Hampshire with extensive grounds surrounded by a high wall.

Britain's civil aviation authority has banned aircraft from flying over the house at an altitude below 3,000 feet. Prince Charles, 32, and his 20-year-old bride, the former Lady Diana Spencer, now the Princess of Wales, were expected to go fishing Thursday.

The River Test, rich in salmon, runs through the Broadlands Estate. Here Queen Elizabeth and her husband Prince Philip also spent the first days of their honeymoon in

1947.

Saturday Prince Charles and his wife fly to Gibraltar to board the royal yacht *Briannia* for the Mediterranean cruise. In the Spanish town of La Linea De La Concepcion, facing Gibraltar, Spanish political parties have called off a big demonstration planned next Saturday in protest against the royal couple's trip to the British colony, political sources said.

After the wedding fanfare, Britain went back to work Thursday, the bunting went back into mothballs, and sewing machines whirred around the country for a million copycat weddings.

In London's Fleet Street, its gutters a mess of red, white and blue, newspapermen worked throughout the night to bring out special souvenir editions commemorating the marriage.



ED AL FITR SHOPPING: Twins relax in a "double carriage" last night awaiting for the return of their father, who promised to return with candy. Their mother was close-by bargaining in a flea market set up in downtown Jeddah for this occasion. The twins, a boy and girl, watched the busy market, taking care of a safari suit and a toy.

## Top scientists watch eclipse

PARIS, July 30 (Agencies) — Some of world's top scientists are gathering in Siberia to observe a total eclipse of the sun there Friday, which in good weather conditions will be visible for about two minutes.

Soviet astronomers have been at the observation site at Kazakhstan for several weeks, and foreign teams include one from France which has driven a special mobile laboratory there.

Outside Siberia, where it will be total, the eclipse will be partial in the western Soviet Union and Scandinavia, with the shadow of

the moon passing west to east from the Black Sea to the Kurile Islands and the northern Pacific, where the eclipse will also be partial.

It was not known Thursday whether Soviet authorities intend to follow suit, using their TU-144 supersonic plane. An eclipse of the sun occurs when moon, earth and sun are directly aligned, and the moon either totally or partially obscures the shape of the sun, casting a shadow on the earth.

An eclipse of the sun enables astronomers to study aspects of the sun impossible in other conditions, including the chromosphere or color sphere around the sun.

## As Charles weds Guest Jawara toppled in coup

DAKAR, Senegal, July 30 (Agencies) — A military coup toppled the government of the tiny West African state of Gambia early Thursday while President Sir Dawda Kairaba Jawara was in London for the British royal wedding.

The state radio said the coup, by members of the 500-strong field force — a 500 police body which is Gambia's only military strength — was led by a opposition leader, Kukli Samba Sanyang, who now leads a National Revolution Council. Sources in Dakar said that several persons were killed after the coup was launched at 5:00 a.m. local time, all of Gambian nationality.

The radio said the Jawara government was guilty of nepotism, tribalism, corruption, favoritism and social injustice. The radio also referred to food problems in the country, which had reportedly led to demonstrations, against the high cost of living in the capital Banjul recently.

Banjul was cut off from the outside world Thursday. The airport at Yndum was closed and the telephone and telefax cut. The radio said that the constitution was suspended, parliament dissolved, legal authority suspended, financial institutions closed and all political parties banned.

Gambia radio later said the National Revolutionary Council had 12 members, three of them members of the field force, the police unit that is the country's only military apparatus and nine civilians. The civilians were identified as members of the Socialist and Revolutionary Labor Party.

The president of the council Kukli Samba Sanyang is a civilian, the broadcast said.

A spokesman for the Gambian High Commission in London said President Sir Dawda Jawara was out of London and not available for comment.

Sir Dawda was last re-elected president in April 1977 for a five-year term. Sir Dawda's People's Progressive Party had a comfortable majority of 27 seats against five for the National Convention Party and two for the United Party, but there has been a growing opposition outside the assembly.



Gambia is a strip of land along the estuary and lower stretches of the river of the same name, surrounded on three sides by Senegal. The capital Banjul (formerly Bathurst) is at the mouth of the river.

It was first settled from Britain in the 17th century and became a crown colony in 1888. It achieved internal self-government in October 1963 and became an independent member of the Commonwealth in February, 1965.

Later that year, a referendum to decide whether Gambia should be a republic failed to win the required two-thirds majority, but was successful in April 1970. The population is some 600,000 of which 85 percent are Muslim, in a country which covers only 10,368 square kms.

Principal resources are groundnuts and fishing but the country has recently been enjoying a comparative tourist boom from Americans searching for their past following the success of Arthur Haley's best-seller "Roots" about a slave brought from Gambia to the United States.

On television

Tarawih prayers relayed

JEDDAH, July 30 (SPA) — The Saudi Arabian television Wednesday relayed *Jsha* and *Tarawih* prayers from the Holy Haram in Makkah to various parts of the Islamic world.

**Turki donates SR1m**

JEDDAH, July 30 — Prince Turki bin Abdul Aziz has donated SR1 million to the Marriage Welfare Society, his office announced Thursday.

It said that the donation will help the society in achieving its objectives of facilitating marriage for those Saudi Arabian young men whose material conditions do not allow them to marry.

Prayer Times

Friday	Makkah	Medina	Riyadh	Dammam	Buraidah	Tabuk
Fajr (Dawn)	4:28	4:34	3:55	3:39	4:04	4:30
Dhuhr (Noon)	12:27	12:28	11:59	11:46	12:10	12:40
Asr (Afternoon)	3:45	3:52	3:25	3:15	3:40	4:14
Maghrab (Sunset)	7:01	7:07	6:39	6:28	6:53	7:26
Isha (Night)	9:01	9:07	8:39	8:28	8:56	9:26

Killer executed in Ras Al Khaimah

RAS AL KHAIMAH, July 30 (SPA) — Convict Abdul Aziz Muhammad Parker was executed by a firing squad here Thursday for raping and killing two little girls.

Sheikh Khaled bin Saqr Al-Qassimi, deputy ruler of Ras Al Khaima, several officials and a large crowd were present at the execution. The Sharia Court had announced the death sentence last Saturday, which was endorsed by the Appeal Court Tuesday.

Saudi arrives at U.N.

UNITED NATIONS, July 30 (SPA) — Saudi Arabian Foreign Minister Prince Saud Al-Faisal arrived here Wednesday and attended the preparatory meeting of the developing countries invited to the (Mexico) summit opening on Saturday.

Zia concludes visit

ISLAMABAD, July 30 (SPA) — President Zia-ul-Haq of Pakistan returned here Wednesday night after a three-day private visit to Saudi Arabia, during which he performed the Umrah and called on King Khalid. Zia commended the Saudi Arabian government's efforts in the service of the pilgrims and expressed his government's thanks and appreciation for these efforts.

Several killed, wounded Palestinians attack Israeli bus

BEIRUT, July 30 (Agencies) — The Palestine Liberation Organization claimed responsibility Thursday for an attack on an Israeli bus outside Jerusalem in which it said several Israelis were killed or wounded, according to the newspaper, *Palestinian Revolution*.

The PLO newspaper quoted a statement issued by the Palestinian Command as saying: "After careful observation of the enemy's military targets, our commandos working inside the occupied territories (Israel) ambushed an enemy army bus on the road between Jerusalem and Kibbutz Maaleh Hahamisha." It added that the occupants of the bus were mostly Israeli soldiers.

"Our soldiers attacked the bus with automatic weapons and managed to cause many deaths and injured among the enemy. Our commando unit then escaped from the area of operations as planned," the statement added.

A police spokesman in Israel, however, said two Palestinian commandos attacked the bus Wednesday night and opened fire with automatic weapons, wounding four persons.

A communiqué issued by the command said a group of commandos from forces operating inside Israel launched the attack

and managed to withdraw "in accordance with the operation plan." It said the attackers belonged to the "Marayr Ibrahim Abdul Aziz, code named Abu Safwat." Abu Safwat was in charge operating inside Israel. He was assassinated in Nicosia, in December 1979, together with Samir Toukan — the second secretary at the Palestine Liberation Organization office in Cyprus. The PLO at the time blamed the Israeli intelligence for the assassinations. A map showing the operation's target area was distributed with the communiqué.

For truce violations

U.S. fails to condemn Israel

WASHINGTON, July 30 (Agencies) — The United States said Wednesday it was disturbed by the aerial dogfights in which an Israeli drone and a Syrian plane were shot down. It hoped that there would be no repetition.

In its statement, the State Department did not accuse Israel for its aggression. Department spokesman Dean Fischer, describing the situation in the area as "fragile and delicate," told reporters that the actions which tended to raise tensions were of serious concern.

"We find this latest incidents disturbing and we hope there will be no repetition," he said. Israel has claimed the ceasefire did not affect its flights over Lebanon which are aimed at monitoring Palestinian military moves.

Washington, July 30 (AP) — Former President Gerald Ford criticized Prime Minister Begin's recent actions and statements, and accused him of not being "helpful in trying to resolve the basic issues, and to secure a comprehensive settlement of those difficult problems in the Middle East."

Washington, July 30 (AP) — The Indian government lashed out Wednesday at what it called a "false and mischievous" report published in Pakistan newspapers claiming that India sought collaboration from Israel to attack Pakistan's nuclear facilities.

"The (Pakistan Press International) report from London is patently ridiculous," spokesman J.N. Dixit said. "It is deplorable that the Pakistani press has chosen to give currency to such a fantastic, tendentious and utterly baseless report," Dixit added. He said that the PPI report claimed that Indian military officials contacted their Israeli counterparts for details of the June 7 attack on an Iraqi nuclear research center. India condemned that action as aggression.

The department has not differed with its interpretation of the ceasefire agreement. It said Monday that reconnaissance flights "are not, strictly speaking, armed attacks." Fischer said he had no confirmation of reports that the Syrian planes might have fired first when they intercepted the Israeli reconnaissance flight.

"Assuming that was the case, we would still stand by the statement," he said.

When asked whether he was saying Israel should not have fired on the Syrian fighters, he replied: "I think it's clear from what I have just stated: that we find this latest incidents disturbing and hope there will be no repetition. That addresses your question."

Syria, which has a 30,000-man peacekeeping force in Lebanon, is not a party to the "cessation of hostilities" agreement which was reached six days ago. But Fischer said "Obviously, we hope and think everyone involved, including the Syrians, have an interest in seeing that the ceasefire works."

Meanwhile, Lebanon's fuel shortage triggered by the Israeli bombing in mid-July has reached a critical state, with five persons reported dead so far in the panic for supplies.

The problem, which continues to deteriorate every day, resulted from the Israeli bombing of the Zaharani Oil Refinery in southern Lebanon July 17 and the hijacking of fuel supplies from the northern part of the country and Syria.

All over the country, people are lining up at the few service stations that have received fuel supplies. The heat, tension and the fact that many civilians carry arms has caused several fights to erupt, leaving five persons dead so far.

WASHINGTON, July 30 (AP) — Former President Gerald Ford criticized Prime Minister Begin's recent actions and statements, and accused him of not being "helpful in trying to resolve the basic issues, and to secure a comprehensive settlement of those difficult problems in the Middle East."

Begin sabotaging peace, says Ford

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The former president, supported the Reagan administration's decision to indefinitely suspend the delivery of the F-16 aircraft to Israel, considering it "an indication that the Reagan administration is trying to convince Begin that he should not go off on his own, but should consult and be cooperative with the U.S." In reference to President Sadat's upcoming visit to Washington, Ford

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COMMENT

By Said Muhammad Al-Maleki  
Ozok

It is an undeniable fact that Saudi Arabia is the best country of the world from the aspect of security. It is a blessing of God that we enjoy this reputation through the application of divine laws in letter and spirit.

Discussing this aspect, we cannot overlook traffic security, for the realization of which the government mobilizes every possible energy to minimize road accidents. But a complementary factor to its efforts is invariably the conscious driver, who is supposed to realize his own significant role in averting mishaps and saving innocent lives on the roads.

Latest statistical reports have shown that, of all the security incidents in the country, at least 98 percent are connected with road accidents. This itself proves how significant a role the driver can play in curbing the rising ratio of traffic mishaps. But this cannot be achieved unless drivers meticulously follow traffic rules and regulations and extend full cooperation to the traffic officials in the discharge of their duties.

If this is achieved, the rate of incidents will automatically touch its lowest ebb, enabling the Kingdom to occupy the first place in the world in the matter of traffic security. This also will complete the picture of security from all aspects in the country.

PLO recognized by Israel, admits Peres

TEL AVIV, July 30 (R) — Israel's Labor opposition leader Shimon Peres said Wednesday that Prime Minister Menahem Begin's government had indirectly recognized the Palestine Liberation Organization (PLO) by accepting last week's ceasefire in Lebanon.

Interviewed by Israel television, Peres was asked if the government had recognized the PLO when it agreed to a ceasefire after a two-week war of attrition.

"Yes, indirectly," he replied. "Yasser Arafat (PLO leader) has signed the ceasefire agreement," he added.

Peres also criticized Begin's decision to launch an air raid on Palestinian positions in Beirut July 17 in which hundreds of civilians were reported to have been killed.

Pakistani report mischievous, says New Delhi

NEW DELHI, July 30 (AP) — The Indian government lashed out Wednesday at what it called a "false and mischievous" report published in Pakistan newspapers claiming that India sought collaboration from Israel to attack Pakistan's nuclear facilities.

"The (Pakistan Press International) report from London is patently ridiculous," spokesman J.N. Dixit said. "It is deplorable that the Pakistani press has chosen to give currency to such a fantastic, tendentious and utterly baseless report," Dixit added. He said that the PPI report claimed that Indian military officials contacted their Israeli counterparts for details of the June 7 attack on an Iraqi nuclear research center. India condemned that action as aggression.

India has maintained that Pakistan's nuclear scientists are working to produce atomic weapons. However, Prime Minister Indira Gandhi told a July 10 news conference here that India will not build atomic weapons even if its neighbor does, because it does not believe "in the deterrent theory."

Iran earthquake toll climbing

ANKARA, July 30 (AP) — The death toll in the earthquake in Iran villages was 836 and climbing, the official Pars news agency reported Thursday.

Another 854 persons were injured, the agency said "quoting figures released by the Iranian Red Crescent (Red Cross) Wednesday night. Governor general of the ravaged Kerman province, Abolhosein Saveh predicted the death toll might hit 4,000 and said the population in the isolated, mountainous region had been buried by the quake.

The earthquake measured between 6.7 and 7 on the Richter Scale and struck shortly after Sundown Tuesday. Pars said the hardest hit areas were near Herman city and listed the villages of Golbaf, Sitraj, Anhojerd, Joshan, Chahar, Faakh and Shahdad.

BRIEFS

WASHINGTON, (R) — The State Department said Wednesday that Libya had opened a new U.S. office to deal with Libyan student affairs, but that the office had been told it must not perform any diplomatic functions.

KARACHI, (R) — A group seeking the downfall of Libyan leader Col. Muammar Qaddafi and the end of Libya's ties with the Soviet Union Wednesday claimed responsibility for a fire in the library of the Libyan consulate here.

GUATEMALA CITY, (AP) — Egyptian Foreign Minister Butros Ghali arrived here Wednesday for a four-day visit as party of Latin American tour.

ISLAMABAD, (AP) — Pakistan's population has grown to 83.7 million in 1981, up from 65.3 million in 1972, a 28.28 percent growth from the 1972 census.

TEL AVIV, (AP) — With Prime Minister Menahem Begin facing mounting difficulties in forming a coalition, Labor Party leader Shimon Peres said Wednesday that he might be able to put together a government.

KHARTOUM, (AFP) — The first Vice-President and Defense Minister of Sudan, Abdul Majid Hamid Khalil, left here Tuesday night for a week's visit to the United States at the invitation of U.S. Defense secretary Caspar Weinberger.

RABAT, (R) — The president of the Agadir Bar Association and a leading member of the socialist opposition party, has been given a six-month suspended prison sentence by a court in Agadir, south Morocco, opposition sources here said in Rabat. Tayeb Saissi was convicted Wednesday on charges of distributing leaflets liable to disturb the peace at the time of the general strike June 20 which degenerated into large-scale rioting in Casablanca.

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**ANNOUNCEMENT**


The management of Arabian Elder would like to inform all concerned that Mr. Stewart G. Christie, British nationality holding Passport No. 40450 is no longer manager of Arabian Elder as he has been dismissed from his duties completely. Therefore, if there is any company or individual person who has any claims against him personally or against Arabian Elder is requested to submit them immediately to the Accounting Department of the Company at Seaview Al-Khobar office — Tel: 8643777.

Effective from July 27, 1981 a period of 3 weeks is allowed to entertain such claims. Arabian Elder will not be responsible for any claims submitted thereafter.

ARABIAN ELDER.



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Before the boom business transactions in the Kingdom took over in an informal atmosphere in some plush suite of a five-star hotel. But now things are changing. Scott Fendleton talks to people and records his impressions on page 20 on how the concept of modern office space has finally taken root.

Not only the Kingdom's oil but its mines too have a significant record. In an interview with Younis Muhammad Isaac, Deputy Minister for Mines Ghazi Sultan talks about the generous financial incentives offered to foreign companies for exploration and outlines some of the mining work done by the companies.


Bahrain has taken over the advanced telecommunications company Cable and Wireless. The British company will keep 40 per cent of the shares and the Bahrain government and its nominees will claim the rest. Louise Denver reports on the takeover.

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# Bonn cuts spending by \$6b in '82 budget

BONN, July 30 (R) — West German government coalition parties agreed Wednesday night on savings of 15.1 billion marks (\$6.2 billion) for an austerity 1982 budget, Social Democratic Party (SPD) chairman Willy Brandt said.

The cuts came through reductions in public spending, tax changes and defense and administrative savings, he said.

But the parties could not agree after a marathon three-day negotiating session on SPD proposals for an income surtax to finance moves to promote industrial investment and employment, he added. Coalition sources said the proposals were resisted by the junior Free Democratic Party (FDP).

The budget plan is due to be debated at an all-day cabinet meeting Thursday and then presented at a news conference by Chancellor Helmut Schmidt Friday. The coalition partners agreed to trim public spending by 9.5 billion marks (\$3.9 billion) and save the rest by cutting tax advantages for some social groups, and reducing defense and administrative costs.

Despite the resistance from the Free Democratic Party, Brandt said the cabinet would Thursday instruct Finance Minister Hans Matthöfer and Economics Minister Otto Labsdoff to study measures to promote investment during the summer.

SPD sources said this implied that some form of temporary surtax would be included when the cabinet drew up final budget proposals in early September. The measures included earnings-related cuts in family allowances, a wage freeze for civil servants and fewer state subsidies for unemployment benefits, coalition sources said.

Defense minister Hans Apel would receive less than half the increase in military spending which he had sought, they said. The 1.7 billion mark (\$700 million) rise which he achieved would almost certainly leave no real increase in West German defense spending in 1982 after inflation. This could cause friction with the United States which is pressing European allies hard to try out a NATO pledge for a three percent real annual rise in military expenditure.

# Turkey to import U.S. wheat

ANKARA, July 30 (R) — Turkey is preparing to make its first wheat imports since 1976 to try to regulate prices in the domestic market which is dominated by private dealers, government officials have said.

They said a delegation went to the United States at the weekend to discuss prices and offer tenders. The amount Turkey will decide to import will depend on the cost, but one senior trade ministry official, who preferred not to be named, said it was likely to be more than 500,000 tons.

"Frankly we have quite enough to meet our own demands," the official told Reuters, "but we need to buy to regulate the price at home." According to Western diplomatic estimates Turkey's wheat harvest this year will be good, reaching just over 14 million tons. This is several hundred thousand tons higher than last year, according to trade and diplomatic estimates, although government statistics put the figure around 17 million tons.

Turkey has made commitments to export more than one million tons of wheat this year, much of it to its major oil suppliers Iran and Iraq. But the trade ministry official said the planned wheat purchases from the U.S. were not aimed at fulfilling these commitments. "This is simply to regulate the domestic market," he said.

# IMF expected to lend India \$4b

LONDON, July 30 (AFP) — The International Monetary Fund (IMF) is expected this week to approve a loan of about \$4 billion to India, the largest loan ever made to that country, the business-oriented newspaper

# U.S. index dips by 1.3% in June

WASHINGTON, July 30 (R) — The U.S. index of leading indicators, which predicts the course of the economy, fell sharply in June for the second consecutive month, the government has said.

The Commerce department said Wednesday the index dropped by 1.3 percent last month after a 1.5 percent decline in May. These were the biggest drops since the 1980 spring recession and supported predictions by Reagan administration economists that the economy was heading into a sluggish period.

The government blamed much of the decline in June on a sharp drop in building permits for housing.

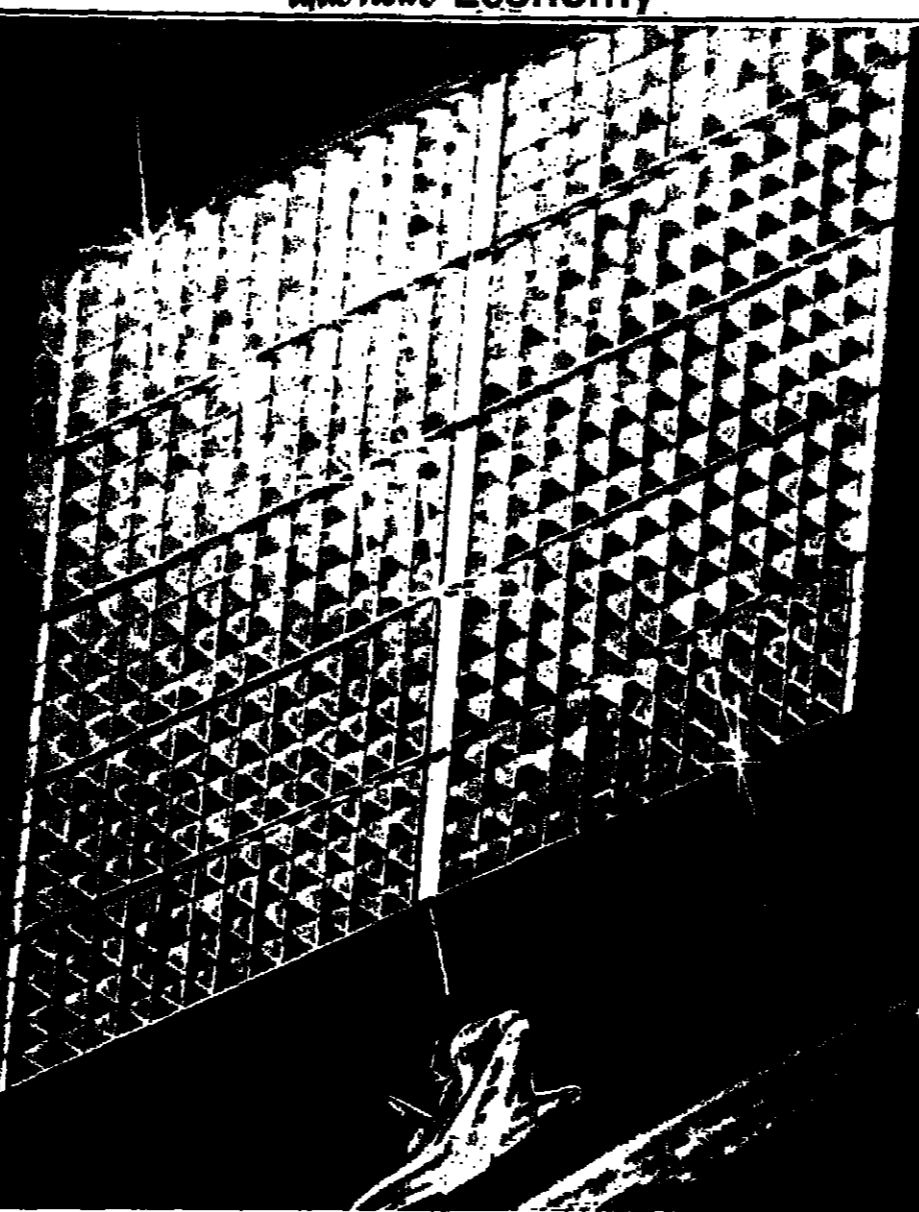
Authority	Description	Tender No.	Price SR	Closing Date
Ministry of PTT, Saudi Telephone	Construction of barricades, and other repairs for the telephone main building	130030	300	17.8.81
Municipality of Riyadh	Supply and installation of 2 glass stoves	42	300	17.8.81
" "	Supply and installation of toys	43	300	17.8.81

Berth	Name of Vessel	Agent	Types of Cargo	Arrival Date
1A	Menzar Perla	A.E.T.	Containers	28.7.81
4	Hilon Blida	Star	Reefer	28.7.81
6	Akh Kim	SSMSC	Timber	28.7.81
6	Evina	Fayez	General, Durra	27.7.81
7	Kota Raha	O.Trade	Sugar Gen. Sorghum	27.7.81
8	Aspaia 'M'	Barnasadah	Bagged Barley	28.7.81
10	Robi	O.C.E.	Loading Employee	28.7.81
11N	Maldive Pledge	O.Trade	Timber/Plywood	28.7.81
11B	Prof. Steiner	Attar	Containers	18.7.81
18	Achilleus	Roloco	Bulk Cement	28.7.81
18	Nirita	Alsbah	Bulk Cement	27.7.81
21	Norra	Allreza	Steel/Gen/copper	27.7.81
22	Patricia 'S'	Eihawi	marble/Tiles/Cont/Gen.	27.7.81
26	Pine Flowers	SAMA	dDurra	28.7.81
27	Med Freaser	O.C.E.	Reefer	22.7.81
28	Grand Fair	O.C.E.	Reefer	28.7.81
35	Green Forever	Algoasabi	Containers	28.7.81
38	Abdul Latif	Eihawi	Timber	"
38	Akamarika	A.E.T.	General	28.7.81
42	Concordia Tadj	Aisebah	Gen/Oil/Contra.	28.7.81
43	Blue Nile	A.E.T.	General	24.7.81
Re-Ro	Aramide	Nejd	Loading Gen/Cars	24.7.81

Ship Name	Agent	Types of Cargo	Arrival Date
Andrea Merzario	A.E.T.	Conts/Ro-Ro	30.7.81
Khadashnik Proprotov	A.E.T.	Containers	"
Petr Dutoy	A.E.T.	To load Myra Contra.	30.7.81
Green Forever	Algoasabi	Containers	"
Eibe Maru	A.E.T.	Containers	28.7.81
Werna Express	Allreza	containers	30.7.81
Niger Basin	Allreza	Gen./Steel/Plastics	28.7.81
Akamarika	A.E.T.	General	28.7.81
Patricia 'S'	Eihawi	Marble/Tiles/Gen.	28.7.81
Dana	O.C.E.	To Load Empty Contra.	"
Bobt	O.C.E.	To Load Empty Contra.	"
Akh Kim	SSMSC	Timber	"

1.	Aran	UEP	General	27.7.81
2.	Wismar	Alsaaba	Pipes-Steel/Gen.	28.7.81
3.	Tai Tung	UEP	Gen/Sugar	28.7.81
6.	Concordia Star	Alsaabah	General	27.7.81
10.	Takis Alexakos	Gosaabi	loading Urea	27.7.81
11.	Krishna Raja	UEP	Gen/Barley	25.7.81
13.	Al Salimiah	Kanoo	General	30.7.81
15.	Maldive Noble	Orr	General	25.7.81
16.	Evelyn Maersk	Kanoo	Gen/Cont.	28.7.81
18.	Courageous	Kanoo	General	28.7.81
20.	Song Huifeng	Orr	Gen/Conts.	29.7.81
21.	Strathmore	Kanoo	Reef-Gen.	30.7.81
25.	Andhika Perdana	SSMS	Plywood	28.7.81
32.	Ibn Asadit	Kanoo	Gen/Steel Pipes	28.7.81
35.	Zeng Yang	Orr	General	25.7.81
37.	Pearl Flag	Alsaabah	Cement Silo Vessel	4.1.78
38.	Arabian Lulah	Barber	Cement Silo Vessel	27.10.77
38.	United Wave	Globe	Bulk Cement	28.7.81



**GIANT SOLAR PANEL:** This is a concept of a multi-kilowatt system that could well generate up to 1000 kilowatts of solar electricity in space. The system designed by Lockheed is one of the several being considered by NASA to provide additional power for space shuttle operations. A way to develop and maintain a long-life power system is paramount for future development in space travel.

# Facing fall in output Soviet food prospects dim

MOSCOW, July 30 (AP) — Soviet hopes for improved food supplies this year appear in jeopardy because of stagnating milk and meat production and an unseasonably hot summer that threatens the grain crop.

The Soviets, who had aimed for a record grain harvest this year, now face the prospect of record grain imports. President Leonid I. Brezhnev demanded last February that authorities assure "uninterrupted food supplies," and said the government was preparing a "special food programs" to improve the situation.

The full program still has not been announced, and official statistics released last week showed no gains in meat production compared to the first half of 1980, while milk production declined. Authorities have called for substantial increases in both milk and meat output each year from 1981 through 1985. Soviet per capita meat consumption is about 60 percent of that in the United States, and fresh fruits and vegetables are often in short supply.

Soviet journalist Lev Voskresensky wrote earlier this month that the daily food consumption here is 3,200 calories, but that 'Soviet people get these calories mostly from potatoes, bread, cereals, flour and macaroni. The part of the daily diet provided by valuable protein products such as meat, milk, eggs, etc., is lower than the standards recommended by dietitians.'

The national grain crop this year may fall well short of the target of 236-243 million metric tons — which would have exceeded 1978's record harvest of 237.4 million tons. The U.S. Department of Agriculture predicted earlier this month that the 1981 Soviet harvest will be about 200 million tons, but Western and other experts here believe it could be even lower unless farmers quickly reap grain that is ripening fast in the hot, dry weather.

The Soviet newspaper *Rural Life* advised earlier this month that the daily food consumption here is 3,200 calories, but that 'Soviet people get these calories mostly from potatoes, bread, cereals, flour and macaroni. The part of the daily diet provided by valuable protein products such as meat, milk, eggs, etc., is lower than the standards recommended by dietitians.'

# U.S. airlines allege discrimination

WASHINGTON, July 30 (AP) — At the airport in Lima, Peru, Braniff International Airways pays 30 percent more for its fuel than does Lascrueros, the national carrier.

Government-owned Korean Air Lines, the only source of ground services at the Seoul airport, refused to make trivial repairs on Braniff planes until after the departure curfew. As a result, passengers had to be up in hotels and rebooked on flights operated by Korean Air Lines.

In West Germany, France and Italy, reservation computers run by the national airlines rarely include international flights by Trans World Airlines, while American and United Airlines include foreign carriers in their computers.

Top executives of Braniff, Twa and Pan American World Airways have joined congressional investigators in listing those instances of discrimination and dozens of others worldwide Tuesday at a House of Representatives inquiry into international aviation activities.

Executives of two other U.S. carriers, Northwest Airlines and Flying Tiger Line, listed more examples at the hearing resume Wednesday.

"We're dealing in a market where free enterprise is not allowed to exist and where others do not play by American rules of fair play, said Flying Tiger President Thomas Grojean, whose company is primarily a cargo operator.

	SAMA	Cash	Transfer
Bahraini Dinar	—	9.05	9.05
Bangladesh Taka (100)	—	15.10	15.10
Belgian Franc (1,000)	65.00	—	65.10
Canadian Dollar	2.81	—	2.78
Deutsch Mark (100)	139.00	140.00	139.45
Dutch Guilder (100)	125.00	123.75	124.45
Egyptian Pound	—	4.00	4.20
Emirates Dirham (100)	—	95.50	92.00
French Franc (100)	—	59.00	58.60
Great Russian (1,000)	—	61.00	67.00
Indian Rupee (100)	—	—	38.10
Iranian Ryal (100)	—	25.00	—
Iraqi Dinar	—	8.00	—
Italian Lire (10,000)	28.00	28.30	28.10
Japanese Yen (1,000)	14.50	—	14.40
Jordanian Dinar	—	10.20	10.14
Kuwaiti Dinar	—	12.08	12.03
Labanese Lira (100)	—	77.20	76.90
Moroccan Dirham (100)	—	65.00	63.20
Pakistani Rupee (100)	—	—	34.57
Philippine Peso (100)	—	—	43.35
Pound Sterling	—	6.42	6.34
Qatari Riyal (100)	—	94.00	95.85
Singapore Dollar (100)	—	—	157.90
Spanish Peseta (1,000)	—	—	34.85
Swiss Franc (100)	162.00	161.50	160.70
Syrian Lira (100)	—	56.00	66.90
Turkish Lira (1,000)	—	33.50	—
U.S. Dollar	3.41	3.4190	3.4120
Yemeni Ryal (100)	—	75.50	74.75

	Selling Price	Buying Price
Gold bar	44,650	44,450
10 Tolas bar	5,250	5,150
Ounce	1,400	1,365

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# Acquiring Texas Gulf French bid irks U.S.

WASHINGTON, July 30 (AFP) — The U.S. Treasury Department has referred to serious problems that might arise from the current takeover of the U.S. firm Texas Gulf by a French oil company, Elf Aquitaine.

The treasury statement said the U.S. government's inter-departmental committee on foreign investments in the United States is now considering Elf Aquitaine's planned investment in Texas Gulf, an American mining firm, that the examination will continue. No decision on possible U.S. government action in the matter will be made until the examination is completed.

But the statement noted that the committee had requested suspension of the planned takeover to give the French government the possibility of avoiding potentially serious problems involved in the bid for control that might arise at the end of the examination if the investment had already been made.

In Paris, the chairman of Elf Aquitaine, Albin Chalandon, said Wednesday that his firm had reached the main goal of its strategy laid down in 1979 by taking control of Texas Gulf and establishing operations in the United States.

At a press conference Wednesday in Paris, Chalandon emphasized the financial aspect of the operation — saying that it had become urgent for the company to find new resources. He commented that the acquisition of the profitable American company should generate income (in dollars) that Elf Aquitaine needs for financing investments in various parts of the world.

He also gave some details on Elf Aquitaine's takeover bid, which ended up Tuesday in his firm's acquiring control (85 percent) of Texas Gulf. He said that the stock purchases had been paid for at \$53 million a share (not \$56 as previously reported). And he said that the deal, the largest takeover ever engineered by a foreign firm in the United States, had been concluded on a "friendly basis."

Chalandon also said that out of the \$2,315 million needed for the successful takeover bid, \$994 million had come from the sale of 75 percent of Aquitaine Canada to the Canadian Development Corp. the balance was borrowed on a short-term basis at market interest rates.

He justified the decision to leave Canada by saying the group's Canadian subsidiary "did not offer much satisfaction from the financial viewpoint." He added that the new Canadian policy of "nationalization of the oil industry" made the decision urgent.

He noted that Texas Gulf is essentially a mining company, but also has some non-negligible oil and natural gas activities. In 1980, the firm had U.S. turnover of \$600 million and net profits of \$133 million. Elf Aquitaine management believes that in 1985, these figures will become a billion dollars.

# Cancun talks open next week

UNITED NATIONS, July 30 (R) — Foreign ministers of several countries that will be represented at next week's economic conference in Cancun, Mexico, discussed strategy in closed-door talks near the United Nations.

Mexican Foreign Minister Jorge Castaneda Wednesday made an appointment to see U.N. Secretary-General Kurt Waldheim and was expected to assess the situation with him.

The aim of the Cancun meeting, initiated by Mexico and Austria, is to open the way for a resumption of the North-South economic dialogue. President Reagan is among leaders of industrial states who have promised to attend a further session scheduled to be held in the resort city in October.

Foreign ministers of Yugoslavia, Nigeria, India and Bangladesh, in New York on their way to Cancun, would call on Waldheim Thursday, his spokesman said. The official noted that the economic session was not U.N.-connected, but that the subject was one of great interest to the secretary-general.

The summit's sponsors hope it will mark a step forward in the so-called North-South dialogue and bring concrete benefits for the poverty-plagued economies of the developing world.

Attention will be focused on the attitude of President Reagan's administration, which has so far shown resistance to boosting its global foreign aid effort and has used aid to promote U.S. interests in selected parts of the world.

A paragraph in the final declaration at Ottawa gave foreign aid lobbyists some grounds for optimism. It indicated the seven, including the United States, were prepared to see global negotiations on cooperation between the industrial and developing worlds.

The aid lobbyists see the Ottawa declaration as signaling a change in direction by the Reagan administration and by Britain's Conservative government. Both have irked their Western allies by cutting aid budgets in the past year.

This Cancun meeting and the October summit will lean heavily on last year's findings on international development issues by

an independent commission chaired by former West German Chancellor Willy Brandt. The theme of the Brandt report was that world economies are interdependent. It argued that it was in the interest of the industrialized north to help the poor economies of the south to expand.

Advocates of the Brandt report maintain that the worsening poverty of the Third World is reducing its value as a market for goods from the industrialized countries. Increased aid to the Third World would boost the economies of the poorer countries and increase their need for imported technology and thereby help the rich countries out of the present recession.

Until now, the United States and Britain have appeared to espouse a rival economic philosophy — that the industrialized North should put its own economic house in order first and that the Third World would benefit as a result. This was an argument raised by Mrs. Margaret Thatcher's Conservative government for trimming its foreign aid in the face of continued high inflation and increasing levels of unemployment.

Aid lobbyists counter that the effects of the present global recession are relative. The seven countries represented at Ottawa continue to control 80 percent of the wealth of the non-Communist world, while the poor countries are yearly worse off because of the fall in many commodity prices and the rise in those of oil and technology imports.

# Canada takes steps to shore up currency

OTTAWA, July 30 (R) — The Canadian government has urged banks to cut substantially loans to finance company takeovers, a major source of downward pressure on the Canadian dollar which has slumped close to an all-time low.

Finance Minister Allan Rock said he had also asked Canadian industry to curb the rate of takeover, most of which have been directed at U.S. companies. He told reporters his requests did not cover current loans, but would apply to future bank lending to firms planning takeovers.

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## UNITA forces raise banner in Namibia

By Richard Harwood

ANGOLA — The troop convoy north to Mavinga is two nights and a day on a mechanical bull. The brutal star trucks of Russian design and polish assembly pound and smash through dense forests, fields of savanna grass and marshlands. There are rivers to ford. The sandy road is little more than a jungle track. Deep potholes, fallen trees and gullies are its signature. When the obstacles are too great we crash into the forest, knocking over small trees to cut a new trail. On a straight line, the distance from our old camp to Mavinga is less than 100 miles, two-hour drive in America. On this convoluted track, the trip takes 30 hours. This road is Jonas Savimbi's logistical lifeline, his Ho Chi Minh trail. It begins nearly 200 miles south at the Namibian border where supplies of diesel fuel come in from South Africa. It ends about 50 miles northeast of Mavinga, the scene of UNITA's most substantial military victory and the northernmost outpost for Savimbi's battalions. Mavinga itself could be the stage set for a colonial melodrama. It sits on a barren, dusty plain, surrounded by nothingness. I could imagine becoming very violent and depraved after a few years under this broiling sun. Joseph Conrad could do it justice. The town's two streets are lined with orange tress, stucco buildings and houses with tile roofs. Most of them are gutted from the recent fighting. The orange tress are the only saving feature. It is the second largest town in Cuando-Cubango province and has been an administrative and trading center with a police barracks under both the Portuguese and the present MPLA government. To UNITA it is a precious jewel, a tangible symbol of its capacity of attack and defeat in open country a modern army of Angolan troops backed up and supported by Cuban troops and Soviet logistical help.

Jonas Savimbi insisted that I come here to prove to myself — and the world — that Mavinga had fallen, and event that has never been announced by the MPLA government. That government has also repeatedly declined to allow *Washington Post* reporters to visit the country and to evaluate the MPLA accounts of the struggle with Savimbi, whom the MPLA claims is no more than a bandit capable only of sabotage actions. What follows is UNITA's version of the battles for Mavinga:

An MPLA brigade of 2,000 men guarded the town and its 3,000 meter airstrip last Sept. 19. Two other large contingents were in place 50 miles to the west — 6,000 Cubans and government troops at Menogue and 4,000 at Cuito-Canavale. UNITA attacked in daylight with four battalions, about 2,500 men. They swept over the airfield, hit the brigade command post and after four hours had routed the MPLA and inflicted heavy casualties. Graves now line on end of the airstrip. The ground is littered with spent munitions and abandoned gear. In March and again about a month ago, major efforts were made by the MPLA to retake the town. Both failed. The relief forces were ambushed by UNITA battalions 60 kilometers west of Mavinga — 800 MPLA troops were killed by UNITA's count. Its own casualties were light. Hundreds of weapons, large stores of ammunition and more than 70 trucks were captured in the Mavinga actions including the despicable iron monsters that brought us here.

The significance that UNITA attaches to this series of engagements is hard to overstate. It proved to the troops and their commanders that they could function as a conventional army, not merely as hit and run guerrillas fighting from ambush. It proved that they had the command structure, the logistics, the communication and tactical skills to defeat forces with superior equipment and air support. A huge Anatov cargo plane, capable of carrying T-62 tanks, was shot down in the fighting, along with a helicopter gunship. The battles also proved that UNITA could not only take but hold on to an exposed position in an area with heavy MPLA troop concentrations. The value of the captured arms and equipment is incalculable to an army with no other visible source of supply.

Col. Renato Mateus, UNITA's intelligence and operations chief, gave me his perspective on the fight. Since 1979, he said, UNITA has had 13 "significant" engagements with MPLA forces, resulting in 1,609 MPLA fatalities. More than 1,000 of those killed died in the Mavinga engagements. His description of the battles closely matched the accounts later given to us by MPLA prisoners. The captured arms and equipment are on public display. The carcass of the Anatov still lies in the bush. A Soviet pilot and mechanic are in UNITA's hands. So there is no reasonable doubt that something important happened at Mavinga so far as Savimbi is concerned. There is also no doubt that something important happened so far as the MPLA is concerned. Specifically, UNITA says, nearby Cuban battalions refused to come to the MPLA's rescue and refused to send helicopters to remove the wounded. In fact, UNITA battle summaries of the last three years fail to note a single engagement with Cuban forces. — (WP)

## BANKERS' MOTIVES

Two issues, reported separately in the Western press, can be made to connect.

The first is a meeting in Zurich of the banks — all 460 of them — from which Poland had incurred its vast foreign debt. The meeting agreed to reschedule the whole amount, \$27 billion to be exact, and to entrust a West German bank to oversee the affair on behalf of the rest. The decision was reached at a time when Poland is known to be seeking even more funds, to finance its attempted economic recovery.

The other item is the report from the First National Bank of Chicago detailing the current OPEC surplus which it puts at \$67.6 billion, as against last year's \$95.7 billion (explaining the shortfall by the Iranian-Iraqi war.)

The two issues can be linked if one takes into account that those same Western sources who keep talking about the need to continue buttressing the Polish economy at whatever cost, talk constantly also of OPEC's surplus and the need to recycle it through the financial institutions of the West.

The transparent implication here is that OPEC money (most of it, incidentally, Arab money) will in some way be made available to finance a country still formally Communist and very much within the military, political and economic orbit of the Soviet Union.

Or is such a reading totally mistaken?

## Bhutan spreads wings toward self-reliance

Sumanda Datta-Ray

BHUTAN — China, which long ago settled border disputes with Pakistan, Nepal and Burma, might soon resolve differences with the small landlocked kingdom of Bhutan, 18,000 square miles of rugged mountains, lush valleys and torrential streams with a population of only 1.2 million.

This would leave India as the only Asian neighbor with which Peking still has territorial disputes. Sitting on rare snow leopard pelts, in the carved and gilded throne room of his towering fortress, Bhutan's 26-year-old King Jigme Singye Wangchuck, whose "Dragon Kingdom" is the sole survivor today of a fast-disappearing Buddhist culture that once straddled the heartland of Asia, told me that he had informed the Chinese of his readiness to discuss 200 miles of undelineated and undemarcated border with Tibet. He is waiting for Peking to respond.

The shrewd, young monarch displays a firm grasp of modern politics for all that he is never seen except in the traditional kilt-like robe of Bhutan, high boots, flaming orange (the color of Himalayan royalty) sash, and worn in silver sash on his waist. He is also unmarried, and must be counted among Asia's most eligible bachelors.

The disputed boundary winds over snow-clad peaks, across icy watersheds and through bleak passes at about 20,000 feet, much of it untraveled by man. But Peking has staked substantial claims even in this forbidding fringe of the Tibetan plateau.

The dispute centers on two areas, said to be extensive, where the Chinese have apparently built roads and set up military installations. About 300

square miles are claimed in the north-east, and a considerable tract of territory in the West, north of Bhutan's old capital, Punakha, where another ancient fortress rears from the valley. In addition, the Chinese took over, when they marched into Tibet, eight Tibetan villages that had been given to Bhutan by a medieval ruler and over which Thimphu continued to exercise sovereignty until the last Bhutanese administrator was recalled in 1959.

Dawa Tsering, Bhutan's foreign minister, who feels at 57 that he might be too long in the tooth for a government that is dominated by king and courtiers all in their zestful twenties, has for some years now been examining old British records to establish the exact northern alignment. But the border has never been charted; customary grazing rights, with yak herds following the pasture irrespective of political divisions, lead to frequent friction.

The Chinese recently demanded that the King's uncle, Lendrup Dorji, who was briefly Prime Minister in the sixties when his elder brother and predecessor in office was assassinated, and who is probably best known abroad as friend and host of the American actress Shirley MacLaine, pays tax to graze his yaks near Tashigang fort in the east, where China claims a large slice of what has always been regarded as Bhutanese territory. It would be even more disturbing if Peking were to revive earlier suggestions of suzerainty over the Dragon Kingdom. The British firmly rejected such claims before World War I. But when they let India in 1947, Tibet demanded the "return" of a wide swathe of the Himalayas, including Bhutan.

Chinese propaganda has since described Bhutan as one of the five fingers of the Tibetan palm, as one

of its five affiliated races waiting to be united, and as one of five colors that are blended together. However, Chou En-lai told a New Delhi press conference about twenty years ago: "We have no claim with regard to Bhutan, nor do we have any dispute with it."

The Bhutanese themselves hardy, independent mountain folk, have never entertained Chinese pretensions. When Peking's envoy in Lhasa sent a "sea and hat with false coral button" to the Bhutanese king in 1891, the latter refused to wear it. His successor would not receive China's emissary because he was suspected of carrying a peremptory letter demanding some form of homage.

King Jigme Singye's father was somewhat less successful in dealing with India. Under a 1949 treaty, the Kingdom agreed to be guided by India's advice in the conduct of its external relations. But the monarch told me that Mrs. Gandhi had agreed to his interpretation that advice would be given only when asked, and that even then, it would not be binding on Bhutan. To illustrate the point, King Jigme said that Bhutan had voted for Kampuchea's Pol Pot regime though India supported Heng Samrin.

This liberal view of the treaty probably explains Bhutan's freedom to engage in what Dawa Tsering calls "direct bilateral negotiations" with China. When discussing the border with China in 1959 and 1960, India repeatedly claimed "sole" and "exclusive" rights to represent Bhutan. The Chinese equally adamantly retorted that the Kingdom's frontiers "did not fall within the scope of the Sino-Indian boundary question and are irrelevant to the task of the officials of the two countries." (ONS)

M. KHALIL  
ARAB NEWS - JEDDAH



## EEC considers new arms sales strategy

By Murray Seeger

BEELGIUM — Faced with continuing economic recession and increased American competition, West European leaders are exploring ways to consolidate and expand their arms industries. Western Europe as a whole represents as big a market for conventional armaments as the United States, but the continental powers have traditionally kept their defense industries separate and nationalistic.

Study after study has urged a reorganization of the arms industries across national borders, as such traditional industries as steel, textiles and shipbuilding have been reorganized to take advantage of the continental market. Yet manufacturers in different countries continue to produce small quantities of weapons in competition with one another and to sell them at prices higher than those charged by the much bigger U.S. arms makers.

In recent weeks, a new effort toward European cooperation in the industry has been initiated by Christopher Rugendhat, one of the 14 commissioners of the European Economic Community — the Common Market. A spokesman for the European members of the North Atlantic Treaty Organization visited Washington recently as part of a new effort to revive languishing efforts to further share arms manufacturing among NATO's 15 members. Rugendhat, who is British, said in a recent inter-

view that Europe's arms industries must try to become more competitive with those in the United States. "The difference is that American companies are organized on a systematic and competitive basis to operate in a single market, whereas European companies are left as relatively small, individual units geared principally to the requirements of their own national governments," he said.

Europeans acknowledge that the United States has superior technology for making strategic nuclear weapons, but they argue that Washington could give its treaty partners a larger share of its market for conventional weapons.

Only by cracking the U.S. market can the Europeans reach the volume they need to lower prices. Their concern on that score has been spurred by the following developments:

— Europe's balance of international payments and trade positions against the United States and Japan are deeply negative and increased arms manufacturing at home would help reduce the deficits.

— Recession in Europe has pinched government finances severely, forcing leaders to cut budgets and hold down increases in defense spending.

— Record postwar unemployment in non-defense industries has forced leaders to seek to strengthen industries that may be able to survive the recession with infusions of defense funds.

— Technology advances by the United States and Japan have left Europe behind. Increased spending on research and development and the manufacture of more modern equipment might produce benefits for the civilian economy.

Big increases in U.S. defense spending planned by the Reagan administration have convinced Europeans that they may fall further behind in arms making and selling if they do not arrange some kind of partnership with Washington.

Defense industries are a reflection of national pride as well as a form of self-defense. Buying from domestic producers, is a form even at excessive cost, is a form of public subsidy to keep such industries in business. But the system has supported inefficient suppliers and produced a plethora of weapons types that sometimes reduces the efficiency of NATO forces.

The Europeans point out, however, that excessive dependence on U.S. suppliers weakens the continent's military and economic self-sufficiency. Also, they say, some variety in weapons is desirable, and competition in design and production is healthy for the alliance.

"The fact that there is a 10-to-1 imbalance in trans-Atlantic trade in defense equipment is not due wholly to a malign refusal of U.S. administrations to buy anything other than American," Rugendhat said. "It is a reflection of the fact that, with some notable exceptions, European products are not competitive enough to sell on the demanding U.S. defense market."

In 1980, according to a study published recently by the International Peace Research Institute in Stockholm, Sweden, the world spent \$500 billion for arms. The United States accounted for 32 percent of the total, the other NATO members for 17 percent and all other non-Communist industrial nations for 5 percent. Less-developed countries that are major buyers of weapons from the indus-

trial countries accounted for 9 percent of the world market. The Soviet Union and its Warsaw Pact allies were credited with 27 percent and China with 10 percent.

The market for arms exports, which is often obscured by secret deals, was valued at \$13 billion in 1975 prices, a figure that would be nearly double at current prices. With that immense and growing potential slipping away from Europe, one of the European Economic Community's commissioners, Etienne Davignon, attempted to spur continental cooperation by sponsoring the first comprehensive study of the EEC member countries.

The study, completed late last year, included France, West Germany, Britain, Italy, the Netherlands, Belgium and Denmark. It excluded Luxembourg and Ireland, as being too small along with Greece, which was not then an EEC member.

Davignon was reacting to a report from the European parliament, which concluded that it was "indefensible" to exclude armaments from the EEC industrial policy even if the EEC treaty does not include the subject. The parliamentary report called on the EEC commission to draw up an "action program for a European policy on the procurement of armaments."

European NATO members have attempted to improve cooperative development and buying of arms through their independent European program group, while the Western European union, composed of France, Germany, Britain, Italy, Belgium, the Netherlands and Luxembourg, has conducted its own studies on promoting defense industry cooperation.

Organized to permit the participation of France, which stays outside NATO military planning while remaining a treaty member, the independent European program group studies the potential for weapons coproduction and manufacturing under license.

## Saudi Arabian press review

*Al Medina* and *Okaz* newspapers editorially commented on the stance of some powers hostile to the Palestinian revolution and the ceasefire agreement in Lebanon.

*Al Medina* said these dubious powers have become worried since the Saudi Arabian role has foiled their designs to go ahead with their conspiracies against the Arab nation and its crucial issues. "According to our concept the ceasefire agreement means a halt to the killing of Lebanese and Palestinian children, women and old people by the destructive machinery of the Israeli enemy," the paper said.

*Okaz* noted that the aim of the puppet groups behind the violation of ceasefire accord agreed upon by the PLO is to give Israeli enemy justifications to continue his annihilation war against the Palestinians and the civilians in Lebanon. The paper urged the Palestinian movement to isolate itself from such alien and suspicious groups which are trying to harm Arab and Islamic ranks and ruin the efforts of the Palestinian revolution to achieve its goals.

كاتبه

*Handwritten note:* As-salamu alaykum wa rahmatu Allahi wa barakatuh.

## The life of Prophet - 17

### How to misrepresent Islam

Ever since Abraham the Prophet built the Ka'aba, the dark structure in the center of the Grand Mosque in Makkah, people started to come to the Holy City for pilgrimage. Allah has ensured that successive human generations revere "The House", as it was generally called, and travel to it to offer their devotion. It was Abraham who called upon people, by Allah's instruction, to visit the House for pilgrimage and the practice continued ever since.

At the time when the Prophet Muhammad started preaching the message of Islam in Makkah pilgrimage to the House was a well known religious practice. People from all over Arabia came to the Holy City at a certain time every year for pilgrimage. This, of course, enhanced the position of Quraysh, who resided in Makkah, as the leading tribe in Arabia. We should add here, however, that pre-Islamic pilgrimage included many practices which could not be described as "religious" or even "moral". These were introduced over the years by Quraysh as the overseers of pilgrimage. Thus, a great institution of worship was distorted and forced out of its religious nature. The fact remained, however, that people from the four corners of Arabia traveled to Makkah every year and stayed there for sometime before returning home.

Quraysh enjoyed the advantages it reaped from pilgrimage and tried to protect

them against any threat. Now, however, it was waking up to the fact that the pilgrimage might produce some unwelcome results. This recognition may be clearly seen in the various measures taken by Quraysh to counter such effects. Let us take, for example, the meeting attended by a large number of Makkans and chaired, so to speak, by Al-Waleed ibn Al-Mugheera, a well known figure in Makkah.

In his opening address Al-Waleed said: "Now the pilgrimage season is approaching, people will start arriving from all over the place. They must have heard about your friend (meaning the Prophet). So you better agree that to say when you are asked about him. We must guard against having too many opinions, some contradicting the others."

When his audience asked his advice as to what they should say, he preferred to listen to their suggestions. What concerned Al-Waleed most was that the opinion they would come out with should take account of the fact that Muhammad was asking people to listen to the Qur'an, Allah's message made in a most beautiful language. Thus the description they would attach to Muhammad should also account for his persuasive and eloquent argument.

Descriptions like "a monk", a "madman", a "fool" and a "sorcerer" were proposed. None was considered convincing

## Islam in perspective

### What the Qur'an Teaches

In the name of Allah, the Beneficent, the Merciful

Say: What could most weightily bear witness to the truth? Say (O Prophet): Allah is witness between me and you. This Qur'an has been revealed to me that I may thereby warn you as well as all whom it may reach. Could you in truth bear witness that there are other gods side by side with Allah? Say: I bear no such witness. Say: He is but one God. I deny all those to whom you ascribe divinity beside Him.

(The Cattle 6:19)

by Al-Waleed who pointed out their weaknesses one after the other. When nobody could come out with any thing more they asked Al-Waleed to provide the answer. He said: "What Muhammad says is certainly beautiful. It is like a palm tree with solid roots and rich fruit. Whatever claim of those you suggested you make would soon be realized to be false. The least disputable one is to claim that he is a sorcerer who repeats magic words which make a man fall out with

his father, brother, wife and clan. They all approved Al-Waleed's suggestion and went about making their propaganda campaign to make the pilgrims weary of Muhammad.

Thus ended the first conference held by the enemies of Islam on how to distort its image and how to turn people away from it before they have a chance to realize that Islam is identical with TRUTH.

(To be continued next Friday)

Arab News welcomes questions about Islam, principles and practices. Answers by our religious editor will be published in this section every Friday. Please address your letter to: the Religious Editor, P.O. Box 4556, Jeddah, Saudi Arabia.

### Religious mail

Question: I am a Christian from the Philippines, I have noticed since I come to work in Saudi Arabia that the Islamic way of life is a good one. I feel that Islam and Christianity have a great deal in common. Is it possible that they are the same religion but you merely refer to God as Allah and to Jesus as Muhammad? Or are they two different religions?

Conchita Malaning  
Jeddah

Answer: There is certainly a great deal of similarity between the ideals of Christianity and those of Islam. After all, they come from the same source, namely, the Divine Being who is the Creator of the universe. Similarity of ideals, however, does not necessitate similarity of beliefs or practices. Indeed there are great differences between Christianity and Islam. The former was the Divine message brought by Jesus, Allah's messenger who was born to virgin Mary in the city of Nazareth, and who preached the oneness of God. His message was, however, distorted by the introduction of the concept of the trinity and the ascription of a Divine nature to Jesus himself.

Islam is the Divine message to mankind in its final form which is guaranteed by Allah to remain pure and free of distortion. It was brought by Muhammad, born in Makkah in 570 A.D.

We prefer to use the word 'Allah', the

Arabic name of the Divine Being, in order to stress the concept of His unity. Usage of the English name 'God' may cause some confusion as people may associate Islam with the Christian concept of the Divine Being, which is based on the trinity.

Another important difference between the two religions is that, unlike Christianity, Islam is a comprehensive way of life with elaborate legislation in the various aspects of life. We shall be dealing with some of these over the next few weeks.

Question: According to the customs of Indian Muslims the bride's parents give a dowry to the bridegroom. The reverse is correct in Saudi Arabia. Which is the true Islamic practice?

Mohammed Kamil  
Jeddah

Answer: Islam makes it a condition for the validity of a marriage contract that the bridegroom gives a dowry to his bride. This may be in cash or kind. There is no lower or upper limit to the amount a man may pay in dowry. Whatever is agreed between the two parties is adequate.

The dowry remains the property of the bride forever. Her husband may not take back any part of it unless she gives him that out of her own free will. For Islam established the right of women to ownership long before it was even contemplated by other laws. A woman may invest her dowry or keep it or spend it as she wishes, it is, in short, hers to benefit by it.

### Boston school cutback imminent

## Islamic Brotherhood is raising funds for elementary program

JEDDAH — An educational crisis is developing which will drastically affect Muslim students in Boston, Roxbury and Dorchester, Massachusetts. According to a spokesman for the Society for Islamic Brotherhood Masjidun Li Hamdi Allah, Boston city officials are facing severe financial problems which will soon make it necessary to close many schools, make drastic cuts both in facilities and programs and to reduce the quality of education.

The answer, provided by the Society for Islamic Brotherhood, is the completion of plans for an elementary school program which would more than fill the vacuum. The society has planned a comprehensive elementary school program which far exceeds the standards currently found in the Boston Public Schools and a program which will strengthen and reinforce the Islamic beliefs

of Muslim children.

The Society for Islamic Brotherhood, founded in 1973 by Ahmed Al Atar, presently has a weekend educational program supported by more than 295 members in the area. The members of the society is composed of Arab-Americans from numerous Islamic countries, Americans who have converted to the Islamic faith and Christians who are interested in the precepts of Islam. The educational program was planned for the children of all three types of members.

Within the existing educational program, boys receive lessons in the Arabic language and mathematics, while girls are engaged in Islamic studies and a recreational program. These sessions are provided for children from the age of three and expenses involved in the program are paid partially by the parents of the students and partly by the society.

According to Imam Dawood Abdul-Dhaher, the need for a comprehensive educational program was evident before the Boston school system announced its cutbacks. He pointed out that there is not one elementary school or high school which is operated by and for Muslim students. He said that in Boston, minorities are not accepted and young Muslims are faced with a terrible plight.

"They are constantly the subjects of prejudice, discrimination and ridicule both by teachers and fellow students," he said. "Thus, instead of their Islamic beliefs being strengthened and reinforced, it is made a liability and a burden for them."

Previously, parents of Muslim students in the Boston area have often felt impelled to remove their children from the public schools and to try to teach them at home. This becomes a monumental task when there are

several children of several different ages. Such children, according to Imam Dawood, are placed at a disadvantage because they must maintain their academic standards in order to be admitted for higher education and in order to prepare for a successful education. The problems involved are becoming even more acute as the Boston area grows and with the cut in the educational budget, making the need for a comprehensive Islamic school system self-evident.

The Islamic elementary school system planned by the Society for Islamic Brotherhood is the first step in a comprehensive system which would eventually include the establishment of a high school.

Fund Raising Underway

The society has been promised the land on which to erect the school by the Boston Public Schools as soon as \$323,213 has been

raised for the first year's operational costs. Officials of the society are confident they will be able to raise those funds within several months, they have already raised \$87,000. Additional funds for school operation will be obtained in enrollment fees and future funding by the society.

Initial Enrollment 50

There are now 24 students prepared to enroll in the school. By the time the school is ready to open an initial enrollment of 50 students is anticipated. In addition to providing an atmosphere which is conducive to learning, the Islamic elementary school will allow the young Muslims to experience Islam in everyday practice within an Islamic community. This becomes very important in a non-Muslim country because the child can easily feel isolated or fail to recognize that Islam can be a rewarding way of life for an entire community and is not just confined to that child's household.

The 14 girls and 10 boys who are currently enrolled in the society's weekend program would all be pupils in the new school. In addition, a spokesman suggested that there are many other children now enrolled in both public and private schools in the area who are potential students. In the past their parents have hesitated to withdraw them from their schools because they were unsure when a comprehensive Islamic program would be available. A recent survey made by the society showed that there were more than 40 children in the community who would attend the school, as the need for schools and the area population increases, this number should also increase.

1. At the end of the school year pass exams for comparable standards in the public schools with a score of 75 percent or more;

2. Demonstrate a knowledge of the material taught at comparable standards of the independent school system;

3. Demonstrate a knowledge of Arabic, Qur'an, Hadith, Sira and Islamic History according to their age level; and

4. Demonstrate a complete understanding of Islamic principles in their department.

Quality will be determined to be excellent when the pupils surpass students of their school systems in their knowledge of accepted curricula.

The proposed elementary program has been projected for an operating period of five years. During the initial year of operation, curriculum will be implemented and tested with the initial enrollment of 50 students. During this period the school facilities will be adjusted according to the needs of the students and the school will build its reputation within the community.

Children will be accepted from infants through the age of 12 and will be placed in one of eight classes from preschool to the sixth grade. The upper grades will be divided into male and female sections with each class taught by a qualified teacher and a teacher's aid to help.

Supporting services will include a medical staff, consisting of nurse and medical assistant, administrative staff, consisting of a principal, assistant principal and secretary, a secretary guard, cook and janitor.

The curriculum will consist of: Islamic studies, reading, writing, math, English, history, physical recreation and art.

Initially an education committee will have the responsibility of designing the school program, curriculum and methods of fund raising. At the end of the first five years, the committee will assist in evaluating the school program and determining whether its educational objectives are being met. The parents and members of the community who are on the education committee will continue to serve in an advisory capacity to Imam Dawood in policy making for the school.

### Fine Islamic art on display in Berlin

By Iqbal S. Hussain

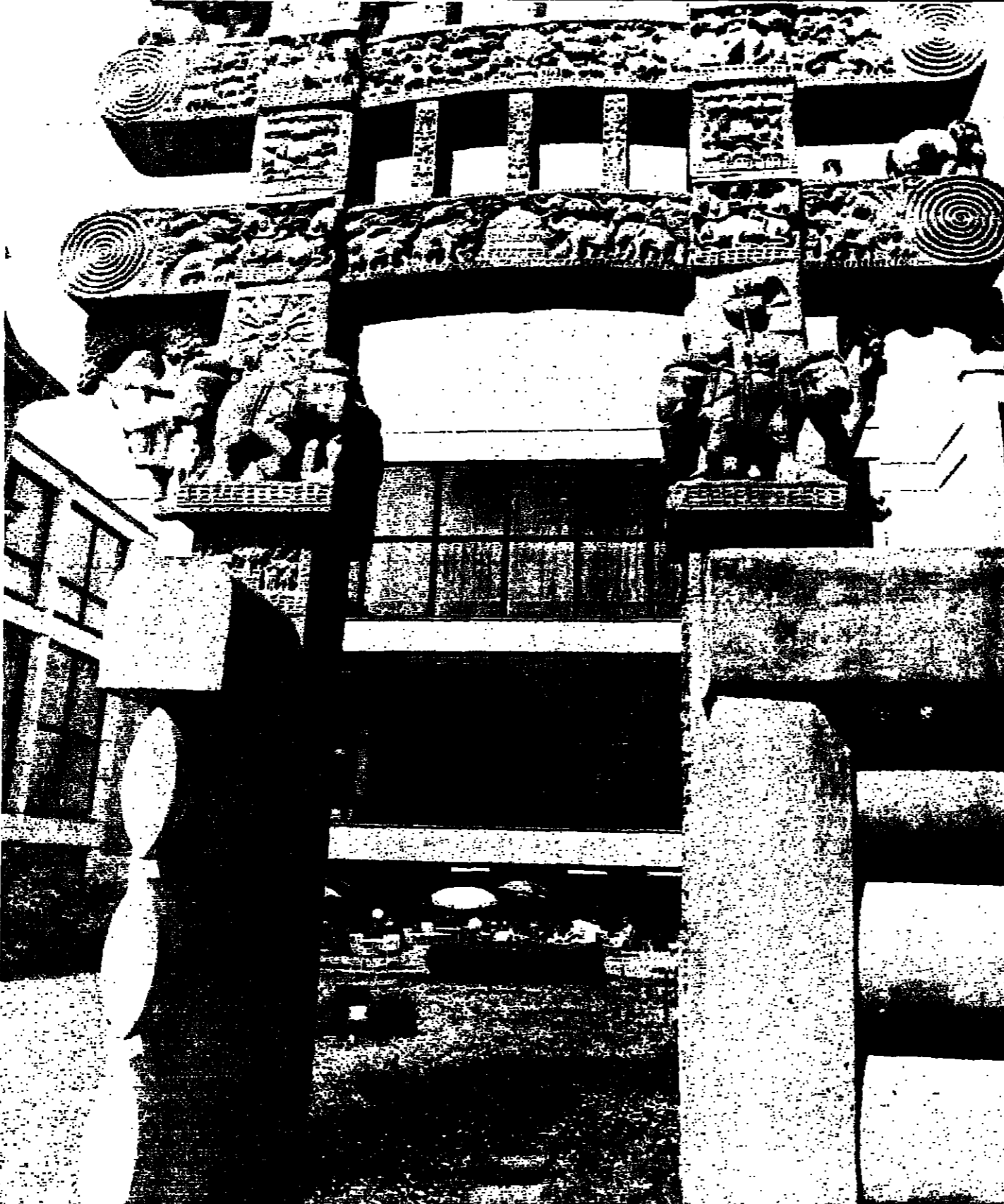
WEST BERLIN (INP) — An excellent display of Islamic cultural rarities and historical finds is on display at the Berlin Museum of Islamic Arts. Egypt, Iraq, Syria and Jordan are among Arab countries whose archaeological treasures are displayed. The Berlin exhibition features specimens from 4000 B.C. including arts and crafts which flourished in Mesopotamia-Tigris and Euphrates.

A look at the ceramics such as water containers and decoration pieces reveal the high Islamic traditions of artistry that had been already developed. The artistic patterns evolved in these works are brilliant for their standard which are regarded as the hallmark of modern accomplishments. The scenes and inscriptions depicted on pottery, handicrafts and decoration pieces are surprising from artistic and professional points of view.

The Berlin-based exhibition also shows the traces of historical and cultural evolution beyond the ancient eras into relatively recent epochs. The excavations at many places in Iraq reveal the refinements in architecture and design of houses and palaces.

Richly-decorated temples and beautiful castles from the Greek era and Umayyid period have also been discovered. It is probably for the first time that it has come to the knowledge that the Caliphs of the Umayyid dynasty (7th and 8th centuries) also built castles in Mesopotamia. The Abbasid Caliphs, who succeeded the Umayyad rulers, are understood to have taken a very active interest in culture too, to which they gave official patronage, with the creation of the so-called "House of Wisdom".

The inscriptions found on the walls and facades of mosques and castles reveal numerous forms of Arabic writing, ranging from angular kufic to simple but exceedingly accomplished nakshi script. The most impressive is the platted kufic, a unique style imbued with vertical shafts of the individual letters, which is symmetrically written to create a form of linear band decoration of regular rhythmic proportions. This script, as is visible on some excavation lately discovered, is believed to have originated from al-Kufah in Mesopotamia (present-day Iraq). Later on it was transmitted to many parts of the Islamic world where it underwent an independent process of development.



ISLAMIC MUSEUM: A variety of specimens of Islamic art from as long ago as 4000 B.C. are on display at the Berlin Museum of Islamic Arts.

Quality will be determined to have been achieved when students:

The primary goal of the elementary program will be to provide quality Islamic and academic education to Muslim children in the Boston area. The quality of the education will be based on comparison with the standard of attainment of the Boston Public School system, the independent Islamic elementary schools across the United States, and the Institute for Positive Education.

Quality will be determined to have been achieved when students:

The present nationalization program was negotiated with the communists in 1972 when the Union of the Left was set up. At the time it seemed unlikely that there would ever be a left-wing government and the "hit list" looked like a threat to the main financiers of the right-wing Gaullist and Giscardian parties.

### Nationalizing the kitchen sink

By Paul Webster

PARIS (ONS) — Before the end of this year, it will be almost impossible to cash a check or negotiate a loan in France without passing through a government-controlled bank or savings institution. It will also be difficult to buy a French-made refrigerator, an air-to-air missile, a yard of cloth, a railway engine, a sheet of glass or a supersonic jet fighter without dealing with a government-owned factory.

About 600,000 more people will become public employees and civil servants will handle an extra \$50 billion of annual revenue that once was the responsibility of the private sector. The range of interests the socialist government is about to buy is so vast and so mixed that there seems to be a good deal or truth in the protest by the leader of the Employers Confederation, Francois Ceyrac, that the takeover program is "incoherent".

"I haven't yet understood why they want to nationalize 10 industrial groups and 20 — or none at all, for that matter," he said. "For example, there is no obvious reason why the State should buy Thomson-CSF, which makes most of its revenue from televisions and household goods, except that it is very big and earns a lot of money."

The answers will no doubt be given at great length during the summer, when the Finance Minister, Jacques Delors, set up a commission to discuss the takeovers and prepare they way for legislation in the autumn.

Until the commission starts its hearings, paralleling those of an inter-ministerial

### Nationalizing the kitchen sink

committee headed by the Prime Minister, Pierre Mauroy, it is fair to say that not even the most ardent socialist is quite sure why a Western, Free-enterprise nation should suddenly take an interest in selling products that include fertilizer, kitchen stoves and diet pills.

There are already a million people employed in state industry — in companies like Renault, the state insurance firms, the railways, gas, electricity, Aerospatiale and the Atomic Energy Commission — nearly all models of efficiency.

Under Giscard, Marcel, Dassault's plane-making firm was kept liberally supplied with government subsidies, making it easier for Dassault to finance the Gaullist Party.

At the same time, Giscard propped up sick industries like steel. If the government had taken shares in the industry to compensate for its subsidies, French taxpayers already own steel twice over.

It is probably because of the blatant injustice of aid to Dassault and the steel industry that the French electorate is not shocked by the prospect of more takeovers. The bourse marked down all French shares an average 30 percent with the socialist election but the promise that the takeover list is definitive has restored a good deal of confidence.

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# Astronaut's stellar dreams continued after retirement

**EDITOR'S NOTE:** Walter Cunningham, a former United States astronaut, has expectations as unbounded as the galaxies he has traveled. Believing "we are limited only by what we can't imagine," he has forged a path to the stars with the support of NASA technology. Cunningham, who now runs a foreign investor consultant firm, says he hopes his days as an astronaut will rank as only one of the six or seven accomplishments he hopes to achieve in his lifetime.

By Freeman Gregory  
Houston Bureau

HOUSTON — The doorbell's deep tones had scarcely subsided when he appeared at the door and said, "Hello, I'm Walter Cunningham. Please come in." At somewhat less than six feet tall and of normal build, he hardly conjured up the larger-than-life image that his former occupation — NASA astronaut — carried with it. Yet, his eyes betrayed a sense of intellect-gone-awandering that America's space program epitomizes.

Cunningham said he entered the space program because he realized he was going to need a job when he got out of college.

"I had been a Marine Corps fighter pilot. I was getting a Ph.D. in physics at UCLA and I knew that I was going to need a career in about a year," he said. "So I wrote a letter, threw my name in the hopper and when they got through with all the selection process back in 1963, I was one of 14 people they selected."

Cunningham and two other astronauts — Wally Schirra Jr. and Donn Eisele — made history Oct. 11, 1968 when they became the first men to enter space atop a Saturn V rocket in an Apollo spacecraft. Designated Apollo VII, the flight was the first effort to put man in space since the tragic death of three American astronauts inside the Apollo-1 spacecraft which burned as it sat on the launching pad at Cape Kennedy in January 1967.

The former astronaut said that five months elapsed between the time he applied and the moment he was accepted to the program. Confident that he would make the cut, he waited for the letter to come. "...It never dawned on me that I couldn't do just about anything that I set my mind to."

**Requirements Tightened**

When the space program began in earnest in the late 1950s, President Dwight Eisenhower decided to limit the pool from which astronauts were chosen to the rolls of military test pilots. Besides being a military test pilot, the prospective astronaut had to be under 40-years-old, under 5-foot-11-inches and had to possess a government service ranking between GS-12 and GS-15 whose annual salaries ranged from \$8,330 to \$12,770.

Although Cunningham was a civilian at the time of his selection, he had held the rank of colonel in the Marine Corps and was in the process of receiving his doctorate in physics from UCLA.

Once accepted to the program, Cunningham explained, the space trainees underwent psychiatric, psychological, physiologic and intelligence quotient (I.Q.) examinations to determine their fitness for the task.

The common denominator associated with each trainee in the program was his desire to fly in space, Cunningham said.

"We just wanted to fly in space," he said. "It was unique enough that the main motivation for anybody was to get that flight. Therefore, it created a very competitive atmosphere and anything past getting your flight tended to be just frosting on the cake."

# Astronaut Bean resigns at NASA to pursue art

HOUSTON — Astronaut Alan Bean, fourth man to set foot on the moon, has resigned from NASA to devote full time to his career as an artist. Bean said his decision was based on the fact that, in his 18 years as an astronaut, he visited worlds and saw sights no artist's eye has ever viewed firsthand, and he hopes to express those experiences through the medium of art.

Bean was among the third group of astronauts selected by NASA in the fall of 1963. He was lunar module pilot on Apollo 12, man's second landing on the moon in November 1969. He and Pete Conrad explored the Ocean of Storms while Dick Gordon circled in the command module.

From July to September 1973, he was commander of the second Skylab mission. On that 59-day, world-record-setting mission, Bean (with Jack Lousma and Owen Garriott) accomplished 150 percent of the pre-mission forecast goals. His next assignment was as backup spacecraft commander for the United States flight crew on the joint U.S.-Soviet Apollo-Soyuz Test Project in 1975.

Bean's 1,671 hours, 45 minutes in space rank him first among active American astronauts in total space flight time. He is fourth on the all-time list of U.S. astronauts in cumulative space flight time. During his career, Bean amassed 11 world records in space and astronautics. He is presently head of the Astronaut Candidate Operations and Training Group.

Bean's interest in art is not new. He began formal art training as a night school student while a test pilot in the Navy. His paintings are about what he knows best — the exploration of the moon. He feels that the beginning of man's exploration of space has been the most historically significant event of our time, and his purpose now is to make a contribution to art by capturing these events on canvas. He plans to pursue this goal in the Houston area.

With Bean's resignation, only one of the 11 Americans who have walked on the moon remains in the astronaut corps. He is John Young, chief of the Astronaut Office and commander of the first Space Shuttle flight.

"We were always doing something interesting... I might have gone to a play in New York after spending an interesting day at work," he said. Every day was interesting. So I might have had dinner that evening with someone interesting... I got to fly an airplane around the country two or three times during the week.

"It was a dynamic life going on all the time. We were more jetsetters than the jetsetters," he said.

Such an interesting life had one major drawback though. In the eight years he spent as an astronaut, Cunningham was able to spend very little time with his wife and two children. Mrs. Cunningham said that the longest period of time she was permitted to spend with her husband during the first 6½ years of his tenure with NASA was four weeks.

After five years of training, Cunningham got his "flight." Apollo VII lasted 11 days and was called one of the few "textbook" flights in the Apollo program because of the absence of unexpected technical difficulties.

Cunningham said that he had mixed emotions about being on the first manned flight after astronauts Virgil Grissom, Edward White II and Roger Chaffee were killed in the Apollo I fire. However, he said, by the time he was launched into space, he had overcome his trepidations, believing that NASA had done all that it could to ensure his safety and that of his companions.

"I thought that it was safer than driving a car," he said.

Cunningham's flight involved the first televised sequence in orbital free flight and a docking maneuver between the command module and the stage of the Saturn vehicle that contained the lunar excursion module (LEM). Although Apollo VII carried no LEM, the docking exercise was important because scientists needed to test the maneuver out for the ensuing mission, Apollo VIII, which was scheduled to circle the moon.

Cunningham emphasized that he wishes to keep the flight in perspective in relation to his life's achievements.

"I hope it ranks among six or eight other things — some of which I have not done yet. I don't believe having a single peak experience in your life and having everything else in your life being anti-climatic," he said.

"You have some former astronauts in the world today who feel that that is their major accomplishment. They feel that there is no way that they can match what they've done before and therefore end up living the rest of their lives on that. I simply don't believe in that."

The flight, he contended, was almost a vacation compared to the five years of training he had undergone.

"The flight was probably the easiest 11 days in my time at NASA. The flight was the kind of bonus you got for all the other hard work it took to get to space.

Eight years after he first sent in a letter of application to the fledgling space agency, Cunningham retired to enter private business and get reacquainted with his family.

"I would have liked to have gone to the moon, but I was working on a different program (Skylab) and I could look and see my kids growing up and they had already had too much of almost a one-parent family," he said.

"I guessed from the beginning I'd only be there 8 to 10 years. We figured about 10 years max because I was willing to spend 10 years of my life basically indulging myself. I never expected to spend the rest of my life doing it."

When Cunningham finally left NASA he was head of the agency's Skylab project — a program that involved the placement of a space laboratory in orbit around the Earth which, from time to time, was inhabited by different teams of astronauts who performed experiments in space. Skylab eventually experienced technical difficulties in 1980 and came crashing to Earth in Australia.

Cunningham became involved in the field of residential and commercial real estate investments. He started his own business to further that purpose, but became involved with a firm that was interested in developing a remote-controlled mechanism designed to repair underwater pipelines.

In 1976, he began work for 3D International as a senior vice president in charge of the architectural firm's engineering division. Much of his work load took him to the Middle East which he describes with great fondness.

"Things are changing there so fast," he said. "It's amazing to me how well they have come along in their efforts at construction. They have made tremendous progress in the development of an infrastructure, telephone, systems and good roads."

Cunningham left 3D International in 1979 to begin his own investment firm which he says caters to the particular needs of non-resident investors who seek to establish a capital base in the United States. While immersed in his own career in finances, Cunningham said he continues to maintain ties with NASA and the shuttle program.

He said he is very excited about the space shuttle which he believes will open space for developing nations as well as the United States.

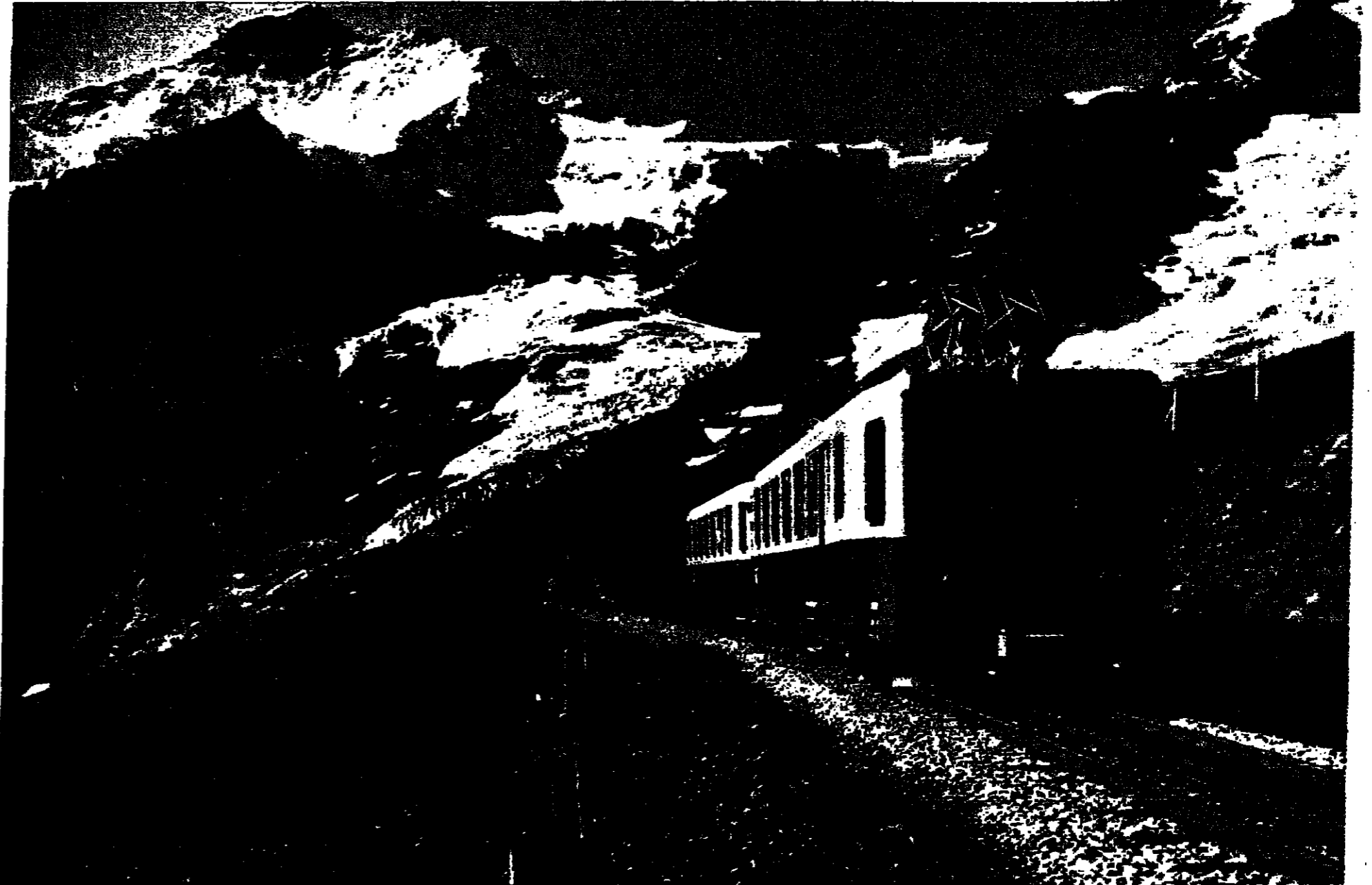
Describing the shuttle as little more than a "big space-going semi-trailer," he said that it can benefit small countries with little money to spend on things like communications.

For example, he said, a nation could spend \$10 million on a communications satellite and some receiving equipment to develop its telephone system instead of laying miles of cable that may run in excess of \$1 billion (\$R3.4 billion).

Not needing a space program of its own, the country could contract with NASA to place the satellite in orbit by giving it a ride on the shuttle.

As optimistic as he sounded, Cunningham admitted spaceflight as common as boarding an airliner will not be forthcoming very soon.

"Not in your lifetime or my lifetime," he said. "You may see the 'China Clipper' or the 'DC-4' stage but I do not foresee any mass migration into space soon. It will have to be done in the natural constraints of space — you know, zero gravity and low temperatures."



TWO DIFFERENT WORLDS: An electrified train carries summer visitors to Alpine villages where snow usually remains on the Alps all summer. At some resorts, like Saas-Fee, it is even possible to enjoy winter sports like skiing and then return to more conventional summer activities like swimming and tennis.

## Weather is pleasant

# Tourists miss Alpine villages; prices reasonable

By Bill Shirley

SAAS-FEE, Switzerland (LAT) — Tired of getting on and off tour buses and listening to a guide describe a statue of a local hero in three languages? Seen enough monuments and museums? Wish you had taken a train instead of trying to find a place to park and translate road signs? Well, then, Saas-Fee probably is the place for you. Or Arosa. Or the principality of Liechtenstein next door to Switzerland.

Such lovely Alpine villages have gone largely unnoticed by tourists, who, if they visit this part of the world, usually stop in such resorts as Lucerne, Innsbruck, Zermatt, Salzburg, Grindelwald, St. Moritz or Lausanne.

Saas-Fee, Arosa and Liechtenstein are gems in a neighborhood of jewels, easily reached by the marvelous Swiss railway system on both trains and buses. Saas-Fee, in fact, is known as "the pearl of the Alps."

All three are popular, but not crowded, summer and fall resorts. But the busy season in winter when the skiers move in. In early June they were quiet and virtually free of tourists. Liechtenstein was the busiest, getting a few travelers by day but emptying at night.

A strong U.S. dollar has reduced hotel rates drastically. And a Swiss holiday railway pass makes traveling on the fast, clean, punctual Swiss trains (and buses) cheap — eight days first class is \$113. A second-class ticket is \$79. For 15 days the prices are \$141 and \$104. The second-class coaches are more crowded; otherwise there is not much difference.

The resorts are easily reached from Geneva or Zurich. There's a spectacular ride on the glacier express, and electrified train that runs from Zermatt to St. Moritz and is the best and quickest way to get from Saas-Fee to Arosa.

A 50-minute bus ride takes you down the mountains from Saas-Fee to Brig, where you catch the express for a 4½-hour scenic ride to Chur. From there it's another one-hour train ride up a mountain to Arosa. Seldom will a traveler see so much gorgeous real estate in one day.

Saas-Fee has a population of 1,094, with an altitude of 5,900 feet. This mile-long valley is surrounded by the highest peaks in the Alps: 13 of them above 13,000 feet. The snow never melts and skiing lasts all summer. National ski teams from many nations, including the United States, train on the slopes here in the summer.

No cars are allowed in the village. They must be parked in a lot on the edge of town. The ski areas are hidden from the village and are well protected. But clearly visible is the Fee glacier, which is moving toward the village at the rate of an inch a day.

Hotels are plentiful and Switzerland's medium or two-and three-star hotels are still probably the best bargains in Europe. The Alpabel, for example, is clean, comfortable and offers a view that you'd have to see to believe. Yet a single room including private bath, balcony, tax, service and two meals (Continental breakfast and a four-course dinner) was only about \$27.

In addition to 50 hotels, the village has 1300 apartment rentals. Reservations are not necessary in the summer. The tourist office across the street from the bus station will assist. Double rooms in most hotels run \$42 to \$56, including two meals. Winter prices are higher.

Four ski runs are open all summer and many bargain packages are available, tennis as well as skiing. Some packages, including lessons and use of the lifts and courts, are as low as \$75. The most expensive: \$120.

Saas-Fee exists solely on tourism, a business that was started by priests 100 years ago. When the mists and clouds rise from this little valley in the mornings and the sun strikes the peaks of Monte Rosa, Tschhorn, Dom and Felskinn, Saas-Fee is surely one of the prettiest resorts in Switzerland.

Arosa has a population of 3,000, its altitude is 6,000 feet. One of the delights of visiting this eastern Switzerland village is just getting up here from Chur, the nearest main railroad center. It is one hour by electric train (or by car), 20 miles up a mountain past picturesque villages and swift glacier streams.

Arosa lies in a sheltered mountain basin, open to the sun. Automobiles are allowed here (except from midnight to 6 a.m.) but there are few on the streets.

There is not summer skiing here but it is a popular winter resort. Summer activities revolve around hiking. Eighteen miles of trails encircle the village through fields of Alpine flowers. A gondola travels up to 8,700 feet on Mt. Weisshorn, stopping at the halfway station on the return trip it is a pleasant, mostly downhill, mile hike back to the hotel the Hof Maran.

Hotels are plentiful and cheap. The four-star Hof Maran, high above the town, offers one of the better views, good food, private bath, linen sheets and pillowcases and an old Swiss custom, a linen towel on the floor for your feet. It also has a nine-hole golf course and tennis courts on the grounds. The tab for a beautifully furnished double room with private bath: \$55 to \$120, including a full breakfast and four-course dinner.

There are 74 other hotels and 6,000 more beds in apartments and condominiums in this quiet valley three hours by train from Zurich.

Liechtenstein has a population of 26,000, altitude 1,525 feet to 8,525 feet (the Liechtenstein Alps). This tiny, lovely principality is a place to rest. From some points in the Alps one can see two-thirds of the country's 60 square miles.

All the hotels have good views, good restaurants, swimming pools and saunas. And the Gaflei, on the Gaflei Alp about 5,000 feet above sea level.



AERIAL CABLE CAR: This "rack-and-pinion railway" overcomes an altitude difference of 3,300 feet in less than seven minutes and offers a wonderful view of the Swiss mountains.





ROYAL HONEYMOON YACHT: The interior of the Britannia where the royal couple will spend their honeymoon. Left the anteroom appears in the foreground and the drawing room in the background. Center, the sitting room. Right, the dining room with formal seating for 12. All rooms have air conditioning and are heated by the wall units shown in the first two photos. (CP)



WEDDING GIFTS: The King of Tonga Tafe'afana Tupou IV and Queen Mntanko gave the royal couple hand made beads and two wooden clothes stands. They also gave Lady Diana coral jewelry and Prince Charles two riding saddles.



STREET PARTY: More than 8,000 children attended this street party to celebrate the royal wedding. Here a man on stilts shakes hands with one of the children.



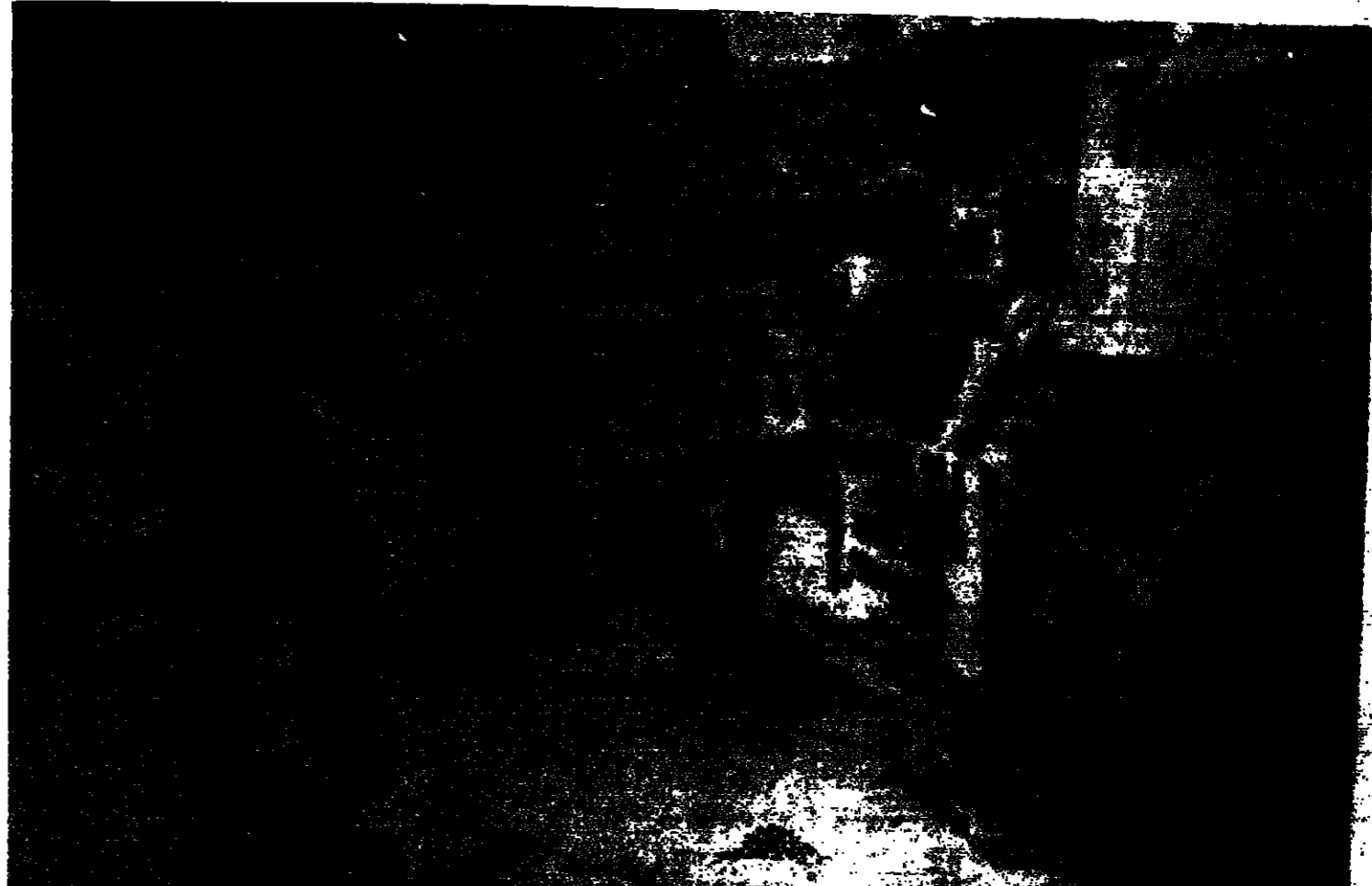
RIOT EQUIPMENT: At about the same time as the royal wedding, the London police had just received their new riot gear which will make it safer for them during any further problems. This police officer is well protected with helmet, mask, fireproof clothing and shield.



U.S. FOREIGN INTEREST: The United States was an active participant in the recent Economic Summit Meetings in Ottawa, Canada. Left, West German Chancellor Helmut Schmidt and President Ronald Reagan carry on their own discussion. Right, U.S. Secretary of State Alexander Haig was exhausted by the time the final meetings took place.



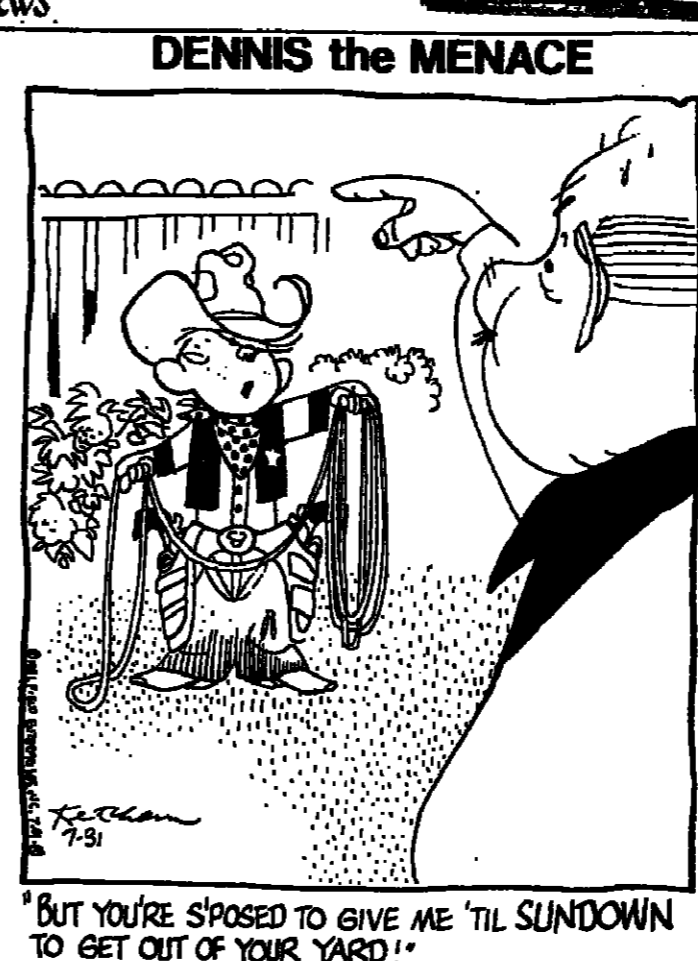
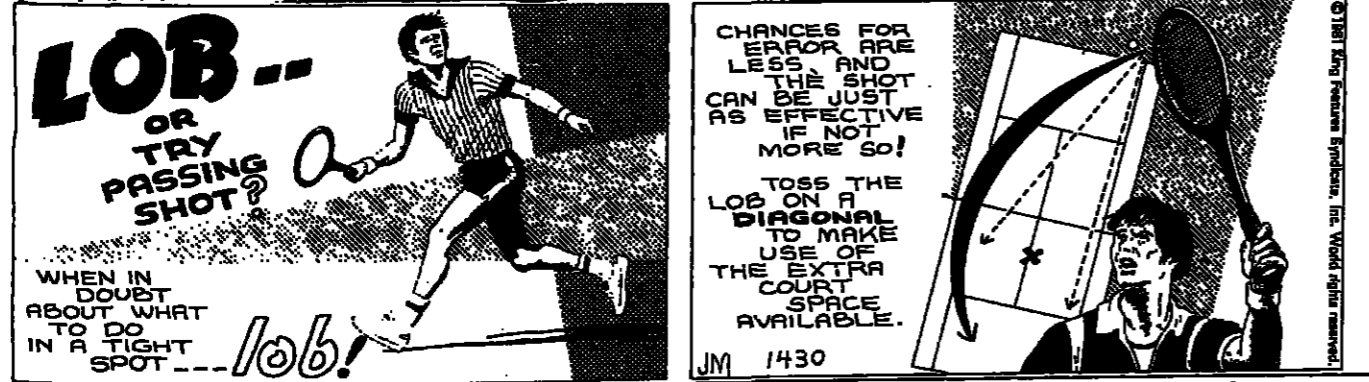
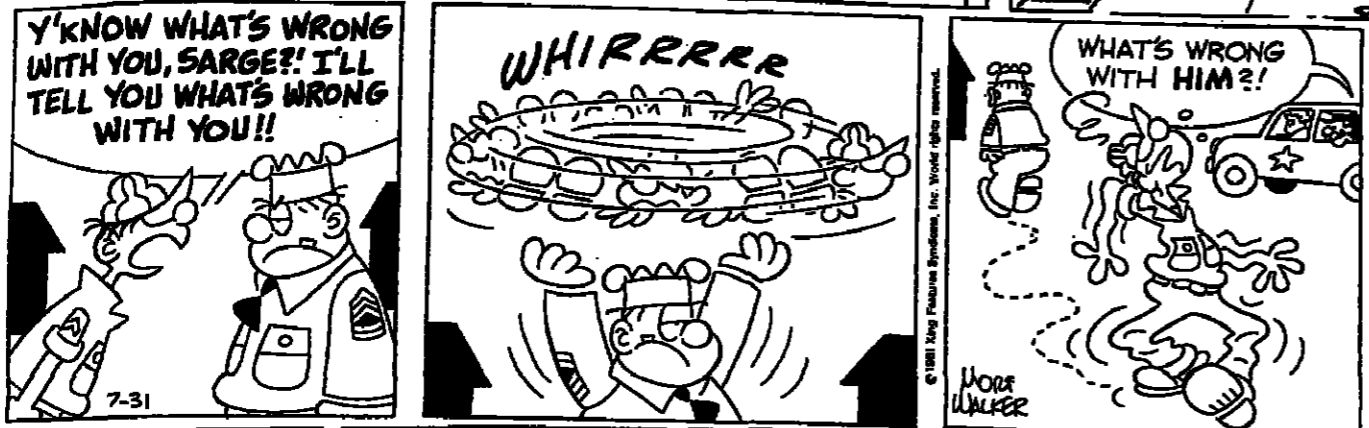
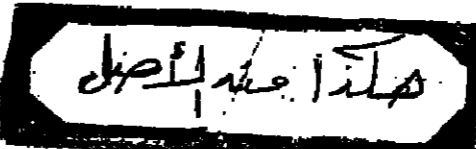
ARMS DISPLAY: Several times a year this cannon which dates back to the Napoleonic wars is taken out of its museum in Innsbruck, Austria and towed around the town by six men. The event has no special significance except to please tourists who are visiting the town. (AP)



ENVIRONMENTAL GROUP: An oversized cardboard box is welded by a man wearing a mask of President Ronald Reagan during a demonstration which protested U.S. policies on air quality standards and the impact on the environment. The group calls itself "Climate Action."

Handwritten signature or note at the bottom center of the page.





Contract Bridge: B. Jay Becker

Bidding Quiz: Your right-hand opponent opens Three Diamonds... 1. ♠ Q98 ♥ A84 ♠ A7 ♣ AKJ5...

Your Individual Horoscope: Frances Drake. FOR FRIDAY, JULY 31, 1981. What kind of day will tomorrow be? To find out what the stars say, read the forecast given for your birth sign.

Crossword by THOMAS JOSEPH. ACROSS: 1 Shortage, 5 Oriental tea, 8 Hautboy, 9 Jazz buff, 13 Capital of Italy, 14 Completely, 15 - had it!, 16 Detective, 17 Converged, 18 Relative of a levee, 20 Judo practice need, 21 Alga, 22 Fireman's item, 23 Military unit, 25 Gaffe, 26 Like a behemoth, 27 Damage, 28 English river, 29 Realty sign, 32 Spoil, 33 Suffix for suburban, 34 One-third of a movie dog, 35 Where Balaklava is, 37 Card game, 38 Wayne film, 39 Sandy tract, 40 Lili St.

Crossword grid with clues and a 'Yesterday's Answer' key listing words like 'Vetch seed', 'Empty talk', 'Tempestuous', etc.

DAILY CRYPTOQUOTE - Here's how to work it: AXYDLBAAXR is LONGFELLOW. One letter stands for another. In this sample A is used for the three L's, X for the two O's, etc.

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arab news CALENDAR: A grid listing various TV programs and radio shows for Friday, July 31, 1981, including 'Small Arabians TV Program', 'DUBAI Channel 10 TV Program', 'DUBAI Channel 33 TV Program', 'OMAN TV Programs', 'Kuwait TV Programs', 'QATAR TV Programs', 'Radio Pakistan Evening Programs', and 'PHARMACIES TO OPEN FRIDAY NIGHT'.

